

6/15/77 [1]

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THE WHITE HOUSE
WASHINGTON

ACTION	FYI
	MONDALE
X	COSTANZA
	EIZENSTAT
	JORDAN
X	LIPSHUTZ
	MOORE
X	POWELL
	WATSON

	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER

Comments due to
Carp/Huron within
48 hours; due to
Staff Secretary
next day

	FOR STAFFING
	FOR INFORMATION
X	FROM PRESIDENT'S OUTBOX
X	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

	ARAGON
	BOURNE
	BRZEZINSKI
	BUTLER
	CARP
X	H. CARTER
	CLOUGH
	FALLOWS
	FIRST LADY
	GAMMILL
X	HARDEN
	HOYT
	HUTCHESON
	JAGODA
	KING

	KRAFT
	LANCE
	LINDER
	MITCHELL
	POSTON
	PRESS
	B. RAINWATER
	SCHLESINGER
X	SCHNEIDERS
	SCHULTZE
	SIEGEL
	SMITH
	STRAUSS
	WELLS
	VOORDE

THE WHITE HOUSE
WASHINGTON

Mr. President:

Costanza, Jordan, Powell, Hugh Carter and Harden concur with Greg.

Hugh observes that the cost of Medals of Freedom (plus case) was \$172 ten years ago, when last minted.

Jody suggests that the Presidential Citizens Medal be reviewed again by the senior staff, once the existing stock is depleted, before being phased out.

Rick

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE
WASHINGTON

To Greg
J

June 10, 1977

MEMORANDUM FOR: The President
FROM: Greg Schneiders *Greg*
SUBJECT: The Presidential Medal of Freedom
The Presidential Citizens Medal

I. The Presidential Medal of Freedom

When President Truman established the award in 1945 it was designated the "Medal of Freedom" and could be awarded by the President, Secretary of State, Secretary of War, Secretary of Navy and such other officers as they might designate. Executive Order No. 9586, July 6, 1945.

In 1963 President Kennedy changed the name of the award to the "Presidential Medal of Freedom" and reserved exclusively to the President the right to award the medal. The Distinguished Civilian Service Board, established by President Eisenhower in connection with another award, was to make recommendations of recipients to the President. Executive Order No. 11085, February 22, 1963.

President Nixon removed this function from the Distinguished Civilian Service Board and placed it with the White House staff. Executive Order No. 11515, March 13, 1970.

The medal may be awarded in two degrees: the Presidential Medal of Freedom and the Presidential Medal of Freedom (with distinction). To receive the award the recipient must have "made an especially meritorious contribution to (1) the security or national interest of the United States, or (2) world peace, or (3) cultural or other significant public or private endeavors." Executive Order No. 9586, section 2(a), July 6, 1945. This

determination is in the sole discretion of the President and, if he chooses, he may award the medal posthumously.

Announcement of awards of the medal is usually made annually around July 4th, although the President may award it at other times if he thinks it appropriate. There is no limit on the number of medals that can be awarded each year.

It was suggested at a recent senior staff meeting that I coordinate the Medal of Freedom activities. On that basis I would make the following recommendations:

1. Continue the Presidential Medal of Freedom procedures unchanged, i. e. have staff coordinate recommendations of recipients and make awards on July 4th or at other times as appropriate. (We have 84 male and 25 female medals in stock.)
2. Eliminate the Presidential Medal of Freedom (with distinction.) (We have none of these in stock at this time.)
3. Reduce the number of recipients to approximately five each year and use them to highlight important issues. (For example the medal could be given to a young person to highlight youth involvement or to someone who has done outstanding work in the field of human rights.) I believe the award had become somewhat devalued as it had been given to thirty or more persons in some years. (A list of all recipients is attached.)

II. The Presidential Citizens Medal

The Presidential Citizens Medal was established by Executive Order 11494 on November 13, 1969, to recognize U. S. citizens "who have performed exemplary deeds of service for their country or their fellow citizens." The

Presidential Citizens Medal is distinguished from the Medal of Freedom in that it honors excellence beyond the call of duty, while the Medal of Freedom honors excellence within the recipients field of work.

RECOMMENDATIONS

Since we have 485 of these in stock, I suggest we award them quietly to deserving persons suggested by staff and approved by you and then discontinue this award.

ACTION

- I. (1) Continue Presidential Medal of Freedom unchanged.

APPROVE

_____ ✓ _____

DISAPPROVE

- (2) Discontinue Presidential Medal of Freedom (with distinction).

APPROVE

_____ ✓ _____

DISAPPROVE

- (3) Reduce the number of recipients each year.

APPROVE

_____ ✓ _____

DISAPPROVE

- (4) Phase out the Presidential Citizens Medal.

APPROVE

_____ ✓ _____

DISAPPROVE

*Submit about
15 names to me
each year & 9/11
choose a
few
J*

Presidential Medal of Freedom

The nation's highest civilian award, the Presidential Medal of Freedom, was instituted by President John F. Kennedy to honor those "who contribute significantly to the quality of American life." It was awarded for the first time on July 4, 1963.

1963 Awards (By President Kennedy)

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 Ralph J. Bunche (U. N. undersecretary)
 Ellsworth Bunker (diplomat)
 Pablo Casals (cellist)
 Genevieve Caulfield (educator)
 James B. Conant (educator)
 John F. Enders (bacteriologist)
 Felix Frankfurter (jurist)
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 John XXIII (Pope)*
 John F. Kennedy (President of U. S.)*
 Robert J. Kipphuth (athletic director)
 Edwin H. Land (inventor)
 Herbert H. Lehman (statesman)
 Robert A. Lovett (statesman)
 J. Clifford MacDonald (educator)
 John J. McCloy (banker and statesman)
 George Meany (labor leader)
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 Jean Monnet (European statesman)
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 Edmund Wilson (author and critic)
 Andrew N. Wyeth (artist)

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* Awarded posthumously by President Johnson.

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 Bop Hope (comedian)
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 Gregory Peck (actor)
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 Walt W. Rostow (government official)
 Dean Rusk (statesman)
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 Paul G. Hoffman (statesman)

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THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

To Greg
J

June 10, 1977

MEMORANDUM FOR: The President

FROM: Greg Schneiders *Greg*

SUBJECT: The Presidential Medal of Freedom
The Presidential Citizens Medal

I. The Presidential Medal of Freedom

When President Truman established the award in 1945 it was designated the "Medal of Freedom" and could be awarded by the President, Secretary of State, Secretary of War, Secretary of Navy and such other officers as they might designate. Executive Order No. 9586, July 6, 1945.

In 1963 President Kennedy changed the name of the award to the "Presidential Medal of Freedom" and reserved exclusively to the President the right to award the medal. The Distinguished Civilian Service Board, established by President Eisenhower in connection with another award, was to make recommendations of recipients to the President. Executive Order No. 11085, February 22, 1963.

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II. The Presidential Citizens Medal

The Presidential Citizens Medal was established by Executive Order 11494 on November 13, 1969, to recognize U. S. citizens "who have performed exemplary deeds of service for their country or their fellow citizens." The

Presidential Citizens Medal is distinguished from the Medal of Freedom in that it honors excellence beyond the call of duty, while the Medal of Freedom honors excellence within the recipients field of work.

RECOMMENDATIONS

Since we have 485 of these in stock, I suggest we award them quietly to deserving persons suggested by staff and approved by you and then discontinue this award.

ACTION

- I. (1) Continue Presidential Medal of Freedom unchanged.

APPROVE

✓

DISAPPROVE

- (2) Discontinue Presidential Medal of Freedom (with distinction).

APPROVE

✓

DISAPPROVE

- (3) Reduce the number of recipients each year.

APPROVE

✓

DISAPPROVE

- (4) Phase out the Presidential Citizens Medal.

APPROVE

✓

DISAPPROVE

*Submit about
15 names to me
each year & I'll
choose a
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THE WHITE HOUSE

WASHINGTON

Date: June 11, 1977

MEMORANDUM

FOR ACTION:

Midge Costanza *concur*
 Stu Eizenstat *concur*
 Hamilton Jordan *concur*
 Bob Lipshtuz
 Frank Moore
 Jody Powell *concur, as long as we review citizen medal again before discontinue*

FOR INFORMATION: The Vice President

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: Greg Schneiders memo 6/10 re The Presidential Medal of Freedom and The Presidential Citizens Medal.

YOUR RESPONSE MUST BE DELIVERED
 TO THE STAFF SECRETARY BY:

TIME: NOON

DAY: TUESDAY

DATE: JUNE 14, 1977

ACTION REQUESTED:

☒ Your comments

Other:

STAFF RESPONSE:

☐ I concur.

☐ No comment.

Please note other comments below:

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately. (Telephone, 7052)

THE WHITE HOUSE

WASHINGTON

June 10, 1977

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SUBJECT: The Presidential Medal of Freedom
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RECOMMENDATIONS

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ACTION

- I. (1) Continue Presidential Medal of Freedom unchanged.

APPROVE _____ DISAPPROVE _____

- (2) Discontinue Presidential Medal of Freedom (with distinction).

APPROVE _____ DISAPPROVE _____

- (3) Reduce the number of recipients each year.

APPROVE _____ DISAPPROVE _____

- (4) Phase out the Presidential Citizens Medal.

APPROVE _____ DISAPPROVE _____

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Date: June 11, 1977

MEMORANDUM

FOR ACTION:

Midge Costanza ^{concur}
Stu Eizenstat Jack Carter ✓
Hamilton Jordan Jack Watson ✓
Bob Lipshtuz ^{concur}
Frank Moore
Jody Powell - agree if Greg awarded we review citizen medal again before discontinuing

FOR INFORMATION: The Vice President

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: Greg Schneiders memo 6/10 re The Presidential Medal of Freedom and The Presidential Citizens Medal.

YOUR RESPONSE MUST BE DELIVERED
TO THE STAFF SECRETARY BY:

TIME: NOON

DAY: TUESDAY

DATE: JUNE 14, 1977

ACTION REQUESTED:

☒ Your comments

Other: Jordan-

STAFF RESPONSE:

☒ I concur. *HA*

☐ No comment.

Please note other comments below.

It might be noted that the Military Office informs us that the prices for the medals ten years ago were:

Medal with distinction	\$172.00
Case	61.00
	<u>\$233.00</u>
Medal without distinction	\$124.00
Case	50.00
	<u>\$172.00</u>

Defense would have to get new bids for any new medals.

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately. (Telephone, 7052)

Date: June 11, 1977

MEMORANDUM

FOR ACTION:

Midge Costanza Hugh Carter
Stu Eizenstat Jack Watson
Hamilton Jordan Richard Harden
Bob Lipshtuz
Frank Moore
Jody Powell

FOR INFORMATION: The Vice President

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: Greg Schneiders memo 6/10 re The Presidential Medal
of Freedom and The Presidential Citizens Medal.

YOUR RESPONSE MUST BE DELIVERED
TO THE STAFF SECRETARY BY:

TIME: NOON

DAY: TUESDAY

DATE: JUNE 14, 1977

ACTION REQUESTED:

☒ Your comments

Other:

STAFF RESPONSE:

☐ I concur.

☐ No comment.

Please note other comments below:

*I agree with Greg as long as
we review citizen medal again before
discontinuing. JRP*

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THE WHITE HOUSE
WASHINGTON

LONDON:

I think Greg's suggestions are good ones. I especially agree that staff and not a committee should coordinate recommendations and make the awards on a significant date such as July 4th. Greg should be the coordinator with final sign off by the President and Mrs. Carter. I think it would be wise to include her in the sign-off process and feel sure she would want to have an input.

There is no point to the Medal of Freedom with distinction. There should be just one medal.

I would go for 5 to 7, so we could cover a number of fields, with the absolute maximum of 7. If it is done only once a year 5 to 7 does not seem excessive. If it is done twice a year (summer & winter), then it could be 3 each time. If you take such fields as performing arts, literature, science (medicine could be included in science or separate), education, journalism (as opposed to literature) leaving room for special events such as human rights and youths as Greg suggests, 5-7 seems about right.

I would eliminate Presidential Citizen Medal rather than phase out, but it's not that big a deal either way.

E. 6/13

Date: June 11, 1977

MEMORANDUM

FOR ACTION:

Midge Costanza Hugh Carter
Stu Eizenstat Jack Watson
Hamilton Jordan Richard Harden
Bob Lipshtuz
Frank Moore
Jody Powell

FOR INFORMATION: The Vice President

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SUBJECT: Greg Schneiders memo 6/10 re The Presidential Medal
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YOUR RESPONSE MUST BE DELIVERED
TO THE STAFF SECRETARY BY:

TIME: NOON

DAY: TUESDAY

DATE: JUNE 14, 1977

ACTION REQUESTED:

☒ Your comments

Other:

STAFF RESPONSE:

☐ I concur.

☐ No comment.

Please note other comments below:

Ric -
Ethan's comments are
attached. In general, we agree
w/ GREG ———
Lash

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If you have any questions or if you anticipate a delay in submitting the required
material, please telephone the Staff Secretary immediately. (Telephone, 7052)

Date: June 11, 1977

MEMORANDUM

6/13

FOR ACTION:

Midge Costanza Hugh Carter
Stu Eizenstat Jack Watson
Hamilton Jordan Richard Harden ✓
Bob Lipshtuz
Frank Moore
Jody Powell

FOR INFORMATION: The Vice President

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: Greg Schneiders memo 6/10 re The Presidential Medal of Freedom and The Presidential Citizens Medal.

**YOUR RESPONSE MUST BE DELIVERED
TO THE STAFF SECRETARY BY:**

TIME: NOON

DAY: TUESDAY

DATE: JUNE 14, 1977

ACTION REQUESTED:

☒ Your comments

Other:

STAFF RESPONSE:

☒ I concur.

☐ No comment.

Please note other comments below:

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If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately. (Telephone, 7052)

Date: June 11, 1977

MEMORANDUM

FOR ACTION:

Midge Costanza ✓
Stu Eizenstat
Hamilton Jordan
Bob Lipshtuz
Frank Moore
Jody Powell

Hugh Carter
Jack Watson

FOR INFORMATION: The Vice President

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: Greg Schneiders memo 6/10 re The Presidential Medal
of Freedom and The Presidential Citizens Medal.

YOUR RESPONSE MUST BE DELIVERED
TO THE STAFF SECRETARY BY:

TIME: NOON

DAY: TUESDAY

DATE: JUNE 14, 1977

ACTION REQUESTED:

☒ Your comments

Other:

STAFF RESPONSE:

☒ I concur.

☐ No comment.

Please note other comments below:

I concur

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately. (Telephone, 7052)

THE WHITE HOUSE
WASHINGTON

ACTION
FYI

	MONDALE
/	COSTANZA
/	EIZENSTAT
/	JORDAN
/	LIPSHUTZ
/	MOORE
/	POWELL
/	WATSON

	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER

Comments due to
Carp/Huron within
48 hours; due to
Staff Secretary
next day

X	FOR STAFFING
	FOR INFORMATION
	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

	ARAGON
	BOURNE
	BRZEZINSKI
	BUTLER
	CARP
/	H. CARTER
	CLOUGH
	FALLOWS
	FIRST LADY
	GAMMILL
/	HARDEN
	HOYT
	HUTCHESON
	JAGODA
	KING

	KRAFT
	LANCE
	LINDER
	MITCHELL
	POSTON
	PRESS
	B. RAINWATER
	SCHLESINGER
	SCHNEIDERS
	SCHULTZE
	SIEGEL
	SMITH
	STRAUSS
	WELLS
	VOORDE

THE WHITE HOUSE

WASHINGTON

June 15, 1977

MEMORANDUM FOR: RICK HUTCHESON *mrh*
FROM: MARGARET MCKENNA
SUBJECT: Comments on Greg Schneiders Memo
Regarding the Presidential
Medal of Freedom

I concur in the recommendation to eliminate the Presidential Medal of Freedom (with distinction). I do not believe any set number of Medals of Freedom should be awarded each year. I also concur that there should be somewhat less than 30. I do not believe there is enough information on the Presidential citizens medal included in this memorandum to make any decision or recommendation -- who has received them in the past, who has made the recommendations, are there agencies involved.

Date: June 11, 1977

MEMORANDUM

FOR ACTION:

Midge Costanza ✓ Hugh Carter
Stu Eizenstat ✓ Jack Watson
Hamilton Jordan Richard Harden
Bob Lipshtuz
Frank Moore
Jody Powell

FOR INFORMATION: The Vice President

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: Greg Schneiders memo 6/10 re The Presidential Medal of Freedom and The Presidential Citizens Medal.

YOUR RESPONSE MUST BE DELIVERED
TO THE STAFF SECRETARY BY:

TIME: NOON

DAY: TUESDAY

DATE: JUNE 14, 1977

ACTION REQUESTED:

☒ Your comments

Other:

STAFF RESPONSE:

☒ I concur.

☐ No comment.

Please note other comments below:

I agree with Greg's recommendations. The criteria of the Presidential Citizens Medal is overlapping and duplicative of the criteria for the Presidential Medal of Freedom and should be phased out as Greg suggests. I agree that the Presidential Medal of Freedom awards should be given, but with fewer recipients than in the past so that they become of greater significance. This would give you the opportunity to provide needed recognition to distinguished Americans.

Stu

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately. (Telephone, 7052)

338
LC Camp
Rubenstein

THE WHITE HOUSE
WASHINGTON

June 15, 1977

Ambassador Strauss -

For your information, the attached
proclamation was signed by the
President and given to Bob Linder
for appropriate handling.

Rick Hutcheson

Re: Removal of Bearing Steel
from Specialty Steel Quotas

cc: Jack Watson
Bob Linder

THE WHITE HOUSE
WASHINGTON

ACTION	
FYI	
	MONDALE
	COSTANZA
	EIZENSTAT
	JORDAN
	LIPSHUTZ
	MOORE
	POWELL
	WATSON
	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER
	Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day

	FOR STAFFING
	FOR INFORMATION
X	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

	ARAGON		KRAFT
	BOURNE		LANCE
	BRZEZINSKI		LINDER
	BUTLER		MITCHELL
	CARP		POSTON
	H. CARTER		PRESS
	CLOUGH		B. RAINWATER
	FALLOWS		SCHLESINGER
	FIRST LADY		SCHNEIDERS
	GAMMILL		SCHULTZE
	HARDEN		SIEGEL
	HOYT		SMITH
	HUTCHESON	X	STRAUSS - Rush to Res
	JAGODA		WELLS
	KING		VOORDE

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

MEMORANDUM TO: THE PRESIDENT

FROM:

Jack Watson

Jane Frank *Jane*

June 13, 1977

RE:

Removal of Bearing Steel from Specialty
Steel Quotas

We are attaching a memorandum from Bob Strauss on the captioned subject. Bob requests that you sign and issue a Presidential proclamation excluding "bearing steel" from existing steel import quotas. As he explains, this type of steel--used for ball bearings--was unintentionally covered in the legal definition of "alloy tool steel" and by signing the new proclamation you are correcting a technical drafting error.

STR says that State, Treasury, Commerce, Labor, Agriculture, Interior, and Defense have signed off. Justice approved the form of the proclamation.

Bob requests your action by June 16 to coincide with scheduled action by the Government of Japan.

CC: The Vice President

THE SPECIAL REPRESENTATIVE FOR
TRADE NEGOTIATIONS
WASHINGTON

MEMORANDUM FOR THE PRESIDENT

FROM : Robert S. Strauss *by Alan Wolff*
Special Trade Representative

SUBJECT: Removal of Bearing Steel from Specialty Steel
Quotas

Action Requested

Approval and signature of a proclamation that would remove from import quotas certain steel used to make ball bearings. This corrects a technical error in a Presidential proclamation issued last year, which resulted in unintended restrictions being placed on this kind of steel.

It is requested that you make a decision by June 16, 1977 to permit signing of an exchange of notes with Japan on June 17, 1977. This exchange is needed in order to implement the proclamation.

The action is supported by the domestic industry and will be welcomed by Japan, Sweden, and other supplying countries.

Background

Quotas were proclaimed on imports of specialty steel in June 1976. This action was taken based on a finding, under section 201 of the Trade Act of 1974, by the U.S. International Trade Commission (USITC) that the domestic industry was being injured due to increased imports. The President then decided that import relief would be in the national economic interest and imposed the quotas.

Shortly after the quotas took effect, it was discovered that a type of steel used in producing bearings met the legal definition of "alloy tool steel" (one of five product quota categories established). Prior to imposition of the quotas, "bearing steel" had not been counted as "alloy tool steel" so that the historical trade data used in determining quota levels were seriously understated. As a result, the principal foreign suppliers and their U.S. customers were faced with severe and unintended disruption of both "alloy tool steel" and "bearing steel" trade.

As a temporary measure to alleviate this problem, particularly for Japanese and Swedish suppliers and their customers, President Ford proclaimed separate additional quotas for "bearing steel" in November 1976. This action was taken on the grounds that the "alloy tool steel" quota failed to meet a Trade Act requirement that quotas not restrict trade below the level of the most recent representative period.

At the same time, the Special Trade Representative, at that time Fred Dent, requested the USITC to undertake an investigation to advise the President on the economic effects of eliminating "bearing steel" from the quota program. Advice also was requested from the Secretaries of Commerce and Labor, as required under section 203 of the Trade Act.

This advice has now been received and you may now decide whether to exclude "bearing steel" from the specialty steel quotas. There is no statutory deadline for your decision or possibility of a Congressional override, as is the case when import relief actions are initiated.

Recommendation

The interagency Trade Policy Committee structure has the responsibility to make recommendations to you on import relief actions. The Committee's representatives recommend that the President proclaim elimination of the quotas on "bearing steel" for the following reasons:

1. The inclusion of "bearing steel" in the quotas was purely due to a problem of classification. The domestic petitioners did not intend to include it and the Trade Commission (USITC) did not cover it in its investigation. The Customs Service had never classified it as "alloy tool steel" until the quotas took effect yet legally had no choice but to do so once the classification error was discovered.

2. The USITC determined that such an exclusion would have a negligible effect on the domestic industry.

3. The Secretary of Labor advises that the exclusion would have a negligible effect on employment.

4. The Secretary of Commerce advises that the exclusion would have a negligible effect on the domestic industry.

5. The Tool and Stainless Steel Industry Committee for Import Relief (which originated the petition that led to

imposition of the quotas) and the Anti-Friction Bearing Manufacturer's Association (which represents consumers) both favor the exclusion. To date, there has been no domestic objection to taking such action, and wide public notice has been given of the intended action.

6. The Governments of Sweden and Japan have urged strongly that the exclusion be made and failure to take such action would have a negative effect on our relations with them (and to a lesser extent with the European Economic Community).

I concur in the recommendation that bearing steel be exempted from the specialty steel quotas.

Approve: _____

Disapprove: _____

If you approve, please sign the attached proclamation that will implement this recommendation.

Attachment

Modification of Temporary Quantitative
Limitations on the Importation into the United
States of Certain Articles of Alloy Tool Steel

BY THE PRESIDENT OF THE UNITED STATES

A PROCLAMATION

1. Proclamation No. 4445, of June 11, 1976, as modified by Proclamation No. 4477 of November 16, 1976, imposed quantitative restrictions on the importation of certain articles of specialty steels. Section 203(h)(4) of the Trade Act of 1974 (the Trade Act) (19 U.S.C. 2253(h)(4)) permits the President to reduce or terminate any such restrictions if, after taking into account advice received from the United States International Trade Commission (USITC) and after seeking advice from the Secretaries of Commerce and Labor, the President determines that the reduction or termination is in the national interest.
2. I have sought and received advice from the USITC and from the Secretaries of Commerce and Labor concerning the effects of excluding alloy tool steel provided for in item 923.25 of the Tariff Schedules of the United States (TSUS) from the quantitative restrictions imposed by Proclamation No. 4445, as modified by Proclamation No. 4477. I have determined, after considering that advice, that the exclusion of alloy tool steel provided for in item 923.25, TSUS, from such quantitative restrictions is in the national interest.
3. Accordingly, the purpose of this proclamation is to terminate in part Proclamation No. 4445 of June 11, 1976, as modified by Proclamation No. 4477 of November 16, 1976, so as to exclude alloy tool steel provided for in item 923.25, TSUS, from the present quantitative restrictions. The authority for this action is set forth in section 203(h)(4) (19 U.S.C. 2253(h)(4)), and section 125(b) (19 U.S.C. 2135(b)) of the Trade Act.

NOW, THEREFORE, I, Jimmy Carter, President of the United States of America, acting under the authority vested in me by the Constitution and the statutes of the United States, including sections 125 and 203 of the Trade Act (19 U.S.C. 2135 and 2253, respectively), do proclaim that -

A. Subpart A, part 2, of the Appendix to the TSUS (19 U.S.C. 1202) is modified as follows:

(1) by modifying headnote 2(a)(iii) to read as follows:

"(iii) The term "alloy tool steel" in item 923.26 refers to alloy steel which contains the following combinations of elements in the quantity, by weight, respectively indicated:

not less than 1.0% carbon and over 11.0% chromium; or
not less than 0.3% carbon and 1.25% to 11.0% inclusive chromium; or
not less than 0.85% carbon and 1% to 1.8% inclusive manganese; or
0.9% to 1.2% inclusive chromium and 0.9% to 1.4% inclusive molybdenum; or
not less than 0.5% carbon and not less than 3.5% molybdenum; or
not less than 0.5% carbon and not less than 5.5% tungsten;

but does not include any of such alloy tool steel which contains, in addition to iron, each of the following elements by weight in the amounts specified:

carbon:	not less than 0.95 nor more than 1.13 percent;
manganese:	not less than 0.22 nor more than 0.48 percent;
sulfur:	none, or not more than 0.03 percent;
phosphorus:	none, or not more than 0.03 percent;
silicon:	not less than 0.18 nor more than 0.37 percent;
chromium:	not less than 1.25 nor more than 1.65 percent;
nickel:	none, or not more than 0.28 percent;
copper:	none, or not more than 0.38 percent;
molybdenum:	none, or not more than 0.09 percent;"

(2) by deleting headnote 2(a)(iv) and redesignating headnote 2(a)(v) as 2(a)(iv).

(3) (a) by deleting the last sentence from headnote 2(f); and

(b) by deleting item 923.25 from the tabulation in headnote 2(f).

(4) (a) by deleting "923.24" from the superior heading to items 923.20 through 923.26 and substituting therefor "923.26"; and

(b) by deleting items 923.25 and 923.26 and their immediately superior heading and substituting therefor the following:

Item	Articles	Quota Quantity (in short tons)		
		Effective on or after--		
		June 14, 1976	June 14, 1977	June 14, 1978
923.26	Alloy tool steel of the types provided for in items 608.52, 608.76, 608.78, 608.85, 608.88, 609.06, 609.07, and 609.08 within the specifications of headnote 2(a)(iii):			
	Japan	3,500	3,700	3,800
	European Economic Community	3,400	3,500	3,600
	Canada	1,900	2,000	2,000
	Sweden	8,500	8,600	8,700
	Austria	6	2,322	2,385
	Other:			
	Countries entitled to the rate of duty in rates of duty column numbered 1 (total) ..	3,600	1,378	1,415
	Other (total)	none	6	6

Jimmy Carter

THE WHITE HOUSE
WASHINGTON

June 15, 1977

Ambassador Strauss -

For your information, the attached
proclamation was signed by the
President and given to Bob Linder
for appropriate handling.

Rick Hutcheson

Re: Removal of Bearing Steel
from Specialty Steel Quotas

cc: Jack Watson
Bob Linder

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

MEMORANDUM TO: THE PRESIDENT

FROM: Jack Watson,
Jane Frank *Jane*

June 13, 1977

RE: Removal of Bearing Steel from Specialty
Steel Quotas

We are attaching a memorandum from Bob Strauss on the captioned subject. Bob requests that you sign and issue a Presidential proclamation excluding "bearing steel" from existing steel import quotas. As he explains, this type of steel--used for ball bearings--was unintentionally covered in the legal definition of "alloy tool steel" and by signing the new proclamation you are correcting a technical drafting error.

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scheduled action by the Government of Japan.

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TRADE NEGOTIATIONS
WASHINGTON

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Special Trade Representative

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Quotas

Action Requested

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The action is supported by the domestic industry and will be welcomed by Japan, Sweden, and other supplying countries.

Background

Quotas were proclaimed on imports of specialty steel in June 1976. This action was taken based on a finding, under section 201 of the Trade Act of 1974, by the U.S. International Trade Commission (USITC) that the domestic industry was being injured due to increased imports. The President then decided that import relief would be in the national economic interest and imposed the quotas.

Shortly after the quotas took effect, it was discovered that a type of steel used in producing bearings met the legal definition of "alloy tool steel" (one of five product quota categories established). Prior to imposition of the quotas, "bearing steel" had not been counted as "alloy tool steel" so that the historical trade data used in determining quota levels were seriously understated. As a result, the principal foreign suppliers and their U.S. customers were faced with severe and unintended disruption of both "alloy tool steel" and "bearing steel" trade.

As a temporary measure to alleviate this problem, particularly for Japanese and Swedish suppliers and their customers, President Ford proclaimed separate additional quotas for "bearing steel" in November 1976. This action was taken on the grounds that the "alloy tool steel" quota failed to meet a Trade Act requirement that quotas not restrict trade below the level of the most recent representative period.

At the same time, the Special Trade Representative, at that time Fred Dent, requested the USITC to undertake an investigation to advise the President on the economic effects of eliminating "bearing steel" from the quota program. Advice also was requested from the Secretaries of Commerce and Labor, as required under section 203 of the Trade Act.

This advice has now been received and you may now decide whether to exclude "bearing steel" from the specialty steel quotas. There is no statutory deadline for your decision or possibility of a Congressional override, as is the case when import relief actions are initiated.

Recommendation

The interagency Trade Policy Committee structure has the responsibility to make recommendations to you on import relief actions. The Committee's representatives recommend that the President proclaim elimination of the quotas on "bearing steel" for the following reasons:

1. The inclusion of "bearing steel" in the quotas was purely due to a problem of classification. The domestic petitioners did not intend to include it and the Trade Commission (USITC) did not cover it in its investigation. The Customs Service had never classified it as "alloy tool steel" until the quotas took effect yet legally had no choice but to do so once the classification error was discovered.

2. The USITC determined that such an exclusion would have a negligible effect on the domestic industry.

3. The Secretary of Labor advises that the exclusion would have a negligible effect on employment.

4. The Secretary of Commerce advises that the exclusion would have a negligible effect on the domestic industry.

5. The Tool and Stainless Steel Industry Committee for Import Relief (which originated the petition that led to

imposition of the quotas) and the Anti-Friction Bearing Manufacturer's Association (which represents consumers) both favor the exclusion. To date, there has been no domestic objection to taking such action, and wide public notice has been given of the intended action.

6. The Governments of Sweden and Japan have urged strongly that the exclusion be made and failure to take such action would have a negative effect on our relations with them (and to a lesser extent with the European Economic Community).

I concur in the recommendation that bearing steel be exempted from the specialty steel quotas.

Approve: _____

Disapprove: _____

If you approve, please sign the attached proclamation that will implement this recommendation.

Attachment

Modification of Temporary Quantitative
Limitations on the Importation into the United
States of Certain Articles of Alloy Tool Steel

BY THE PRESIDENT OF THE UNITED STATES

A PROCLAMATION

1. Proclamation No. 4445, of June 11, 1976, as modified by Proclamation No. 4477 of November 16, 1976, imposed quantitative restrictions on the importation of certain articles of specialty steels. Section 203(h)(4) of the Trade Act of 1974 (the Trade Act) (19 U.S.C. 2253(h)(4)) permits the President to reduce or terminate any such restrictions if, after taking into account advice received from the United States International Trade Commission (USITC) and after seeking advice from the Secretaries of Commerce and Labor, the President determines that the reduction or termination is in the national interest.
2. I have sought and received advice from the USITC and from the Secretaries of Commerce and Labor concerning the effects of excluding alloy tool steel provided for in item 923.25 of the Tariff Schedules of the United States (TSUS) from the quantitative restrictions imposed by Proclamation No. 4445, as modified by Proclamation No. 4477. I have determined, after considering that advice, that the exclusion of alloy tool steel provided for in item 923.25, TSUS, from such quantitative restrictions is in the national interest.
3. Accordingly, the purpose of this proclamation is to terminate in part Proclamation No. 4445 of June 11, 1976, as modified by Proclamation No. 4477 of November 16, 1976, so as to exclude alloy tool steel provided for in item 923.25, TSUS, from the present quantitative restrictions. The authority for this action is set forth in section 203(h)(4) (19 U.S.C. 2253(h)(4)), and section 125(b) (19 U.S.C. 2135(b)) of the Trade Act.

NOW, THEREFORE, I, Jimmy Carter, President of the United States of America, acting under the authority vested in me by the Constitution and the statutes of the United States, including sections 125 and 203 of the Trade Act (19 U.S.C. 2135 and 2253, respectively), do proclaim that -

A. Subpart A, part 2, of the Appendix to the TSUS (19 U.S.C. 1202) is modified as follows:

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over 11.0% chromium; or
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1.25% to 11.0% inclusive
chromium; or
not less than 0.85% carbon and
1% to 1.8% inclusive manganese; or
0.9% to 1.2% inclusive chromium and
0.9% to 1.4% inclusive molybdenum; or
not less than 0.5% carbon and not less
than 3.5% molybdenum; or
not less than 0.5% carbon and not less
than 5.5% tungsten;

but does not include any of such alloy tool steel which contains, in addition to iron, each of the following elements by weight in the amounts specified:

carbon:	not less than 0.95 nor more than 1.13 percent;
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sulfur:	none, or not more than 0.03 percent;
phosphorus:	none, or not more than 0.03 percent;
silicon:	not less than 0.18 nor more than 0.37 percent;
chromium:	not less than 1.25 nor more than 1.65 percent;
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	Countries entitled to the rate of duty in rates of duty column numbered 1 (total) ..	3,600	1,378	1,415
	Other (total)	none	6	6

Timothy Carter

Modification of Temporary Quantitative
Limitations on the Importation into the United
States of Certain Articles of Alloy Tool Steel

BY THE PRESIDENT OF THE UNITED STATES

A PROCLAMATION

1. Proclamation No. 4445, of June 11, 1976, as modified by Proclamation No. 4477 of November 16, 1976, imposed quantitative restrictions on the importation of certain articles of specialty steels. Section 203(h)(4) of the Trade Act of 1974 (the Trade Act) (19 U.S.C. 2253(h)(4)) permits the President to reduce or terminate any such restrictions if, after taking into account advice received from the United States International Trade Commission (USITC) and after seeking advice from the Secretaries of Commerce and Labor, the President determines that the reduction or termination is in the national interest.
2. I have sought and received advice from the USITC and from the Secretaries of Commerce and Labor concerning the effects of excluding alloy tool steel provided for in item 923.25 of the Tariff Schedules of the United States (TSUS) from the quantitative restrictions imposed by Proclamation No. 4445, as modified by Proclamation No. 4477. I have determined, after considering that advice, that the exclusion of alloy tool steel provided for in item 923.25, TSUS, from such quantitative restrictions is in the national interest.
3. Accordingly, the purpose of this proclamation is to terminate in part Proclamation No. 4445 of June 11, 1976, as modified by Proclamation No. 4477 of November 16, 1976, so as to exclude alloy tool steel provided for in item 923.25, TSUS, from the present quantitative restrictions. The authority for this action is set forth in section 203(h)(4) (19 U.S.C. 2253(h)(4)), and section 125(b) (19 U.S.C. 2135(b)) of the Trade Act.

NOW, THEREFORE, I, Jimmy Carter, President of the United States of America, acting under the authority vested in me by the Constitution and the statutes of the United States, including sections 125 and 203 of the Trade Act (19 U.S.C. 2135 and 2253, respectively), do proclaim that -

A. Subpart A, part 2, of the Appendix to the TSUS (19 U.S.C. 1202) is modified as follows:

(1) by modifying headnote 2(a)(iii) to read as follows:

"(iii) The term "alloy tool steel" in item 923.26 refers to alloy steel which contains the following combinations of elements in the quantity, by weight, respectively indicated:

not less than 1.0% carbon and
over 11.0% chromium; or
not less than 0.3% carbon and
1.25% to 11.0% inclusive
chromium; or
not less than 0.85% carbon and
1% to 1.8% inclusive manganese; or
0.9% to 1.2% inclusive chromium and
0.9% to 1.4% inclusive molybdenum; or
not less than 0.5% carbon and not less
than 3.5% molybdenum; or
not less than 0.5% carbon and not less
than 5.5% tungsten;

but does not include any of such alloy
tool steel which contains, in addition
to iron, each of the following elements
by weight in the amounts specified:

carbon:	not less than 0.95 nor more than 1.13 percent;
manganese:	not less than 0.22 nor more than 0.48 percent;
sulfur:	none, or not more than 0.03 percent;
phosphorus:	none, or not more than 0.03 percent;
silicon:	not less than 0.18 nor more than 0.37 percent;
chromium:	not less than 1.25 nor more than 1.65 percent;
nickel:	none, or not more than 0.28 percent;
copper:	none, or not more than 0.38 percent;
molybdenum:	none, or not more than 0.09 percent;"

(2) by deleting headnote 2(a)(iv) and redesignating headnote 2(a)(v) as 2(a)(iv).

(3) (a) by deleting the last sentence from headnote 2(f); and

(b) by deleting item 923.25 from the tabulation in headnote 2(f).

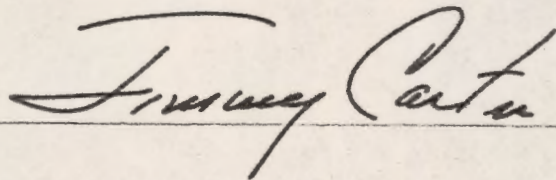
(4) (a) by deleting "923.24" from the superior heading to items 923.20 through 923.26 and substituting therefor "923.26"; and

(b) by deleting items 923.25 and 923.26 and their immediately superior heading and substituting therefor the following:

Item	Articles	Quota Quantity (in short tons)		
		Effective on or after--		
		June 14, 1976	June 14, 1977	June 14, 1978
923.26	Alloy tool steel of the types provided for in items 608.52, 608.76, 608.78, 608.85, 608.88, 609.06, 609.07, and 609.08 within the specifications of headnote 2(a)(iii):			
	Japan	3,500	3,700	3,800
	European Economic Community	3,400	3,500	3,600
	Canada	1,900	2,000	2,000
	Sweden	8,500	8,600	8,700
	Austria	6	2,322	2,385
	Other:			
	Countries entitled to the rate of duty in rates of duty column numbered 1 (total) ..	3,600	1,378	1,415
	Other (total)	none	6	6

B. The modifications of subpart A of part 2 of the Appendix to the TSUS, made by this proclamation, shall be effective as to articles entered, or withdrawn from warehouse, for consumption on and after the date of publication of this proclamation in the Federal Register.

IN WITNESS WHEREOF, I have hereunto set my hand this day of June in the year of our Lord nineteen hundred and seventy seven, and of the Independence of the United States of America the two hundred and first.

A handwritten signature in cursive script, reading "Jimmy Carter", written over a horizontal line.

THE WHITE HOUSE,

THE WHITE HOUSE

WASHINGTON

Date: June 14, 1977

MEMORANDUM

FOR ACTION:

Stu Eizenstat
Bob Lipshutz
Frank Moore
Bert Lance
Bob Linder

FOR INFORMATION:

Zbigniew Brzezinski

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: Removal of Bearing Steel from Specialty
Steel Quotas

HL circulate
SL

YOUR RESPONSE MUST BE DELIVERED
TO THE STAFF SECRETARY BY:

TIME: IMMEDIATE
DAY: TURNAROUND
DATE:

ACTION REQUESTED:

☒ Your comments
Other:

STAFF RESPONSE:

☐ I concur. ☐ No comment.
Please note other comments below:

Concur in Strauss recommendation
D. Tate
Cable too!

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required

THE WHITE HOUSE
WASHINGTON

June 15, 1977

Frank Moore -

The attached was returned in
the President's outbox. It is
forwarded to you for your
information.

Rick Hutcheson

Re: Call to Senator Stennis

THE WHITE HOUSE
WASHINGTON

ACTION
FYI

<input type="checkbox"/>	MONDALE
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<input type="checkbox"/>	EIZENSTAT
<input type="checkbox"/>	JORDAN
<input type="checkbox"/>	LIPSHUTZ
<input checked="" type="checkbox"/>	MOORE
<input type="checkbox"/>	POWELL
<input type="checkbox"/>	WATSON

<input type="checkbox"/>	ENROLLED BILL
<input type="checkbox"/>	AGENCY REPORT
<input type="checkbox"/>	CAB DECISION
<input type="checkbox"/>	EXECUTIVE ORDER
	Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day

<input type="checkbox"/>	FOR STAFFING
<input type="checkbox"/>	FOR INFORMATION
<input checked="" type="checkbox"/>	FROM PRESIDENT'S OUTBOX
<input type="checkbox"/>	LOG IN/TO PRESIDENT TODAY
<input type="checkbox"/>	IMMEDIATE TURNAROUND

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<input type="checkbox"/>	VOORDE

THE WHITE HOUSE
WASHINGTON

6-15-77

Call Stennis.
re Clinch River
EMBR - premature &
unnecessary
"wrong machine"
> 500,000,000/yr.
still in budget +

Called
J

Electrostatic Copy Made
for Preservation Purposes

THE WHITE HOUSE
WASHINGTON

June 15, 1977

The Vice President -

The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling.

Rick Hutcheson

cc: Stu Eizenstat
Ham Jordan
Bob Lipshutz
Frank Moore

Re: Senator Humphrey's Statement
on Middle East policy

THE WHITE HOUSE
WASHINGTON

ACTION	FYI
<input checked="" type="checkbox"/>	MONDALE
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<input type="checkbox"/>	WELLS
<input type="checkbox"/>	VOORDE



THE VICE PRESIDENT
WASHINGTON

June 15, 1977

THE PRESIDENT HAS SEEN.

MEMORANDUM FOR THE PRESIDENT

FROM: THE VICE PRESIDENT

uf

*Let
Fritz get
E. sele
it distributed
J*

Hubert Humphrey did issue that statement on the Middle East policy Friday afternoon and, while it did not attract a great deal of national attention, both Mr. Dinitz and Mr. Amitay have been up to see him.

**Electrostatic Copy Made
for Preservation Purposes**

THE WHITE HOUSE
WASHINGTON

June 15, 1977

Bob Linder -

For your information, the attached bill was signed by the President today. The signing of the bill will be announced by Secretary Andrus in California tomorrow morning - approximately 8:30 A.M. (California Time). Stu Eizenstat will be getting a copy of the statement to Jody Powell and this office.

Rick Hutcheson

THE WHITE HOUSE
WASHINGTON

NOTE TO STU:

THE SIGNING OF THIS
BILL WILL HAVE TO BE
ANNOUNCED EITHER TODAY
OR TOMMORROW. PLEASE
ADVISE.

Rick

6/15/77

Enrolled Bill
4390

Last Day - Friday, June 17

THE WHITE HOUSE

WASHINGTON

June 14, 1977

*Sta. Hold
for possible
statement of
Concern re Westlands
Contract
J*

MEMORANDUM FOR

THE PRESIDENT

FROM

STU EIZENSTAT *Stu*

SUBJECT:

Enrolled Bill 4390 -- Authorizing
Appropriations for the San Luis Unit,
Central Valley Project, California

You must decide by Friday, June 17, 1977, whether to sign or veto this bill.

THE BILL

The bill provides an interim basis for continuing limited construction work on the San Luis Unit of the Central Valley Project while needed reforms in Bureau of Reclamation activities in the controversial Westlands Water District are achieved. Questionable Bureau of Reclamation subsidies to large landowners have been revealed in recent investigations. The bill raises the authorization level for the project to \$31,050,000 for Fiscal Year 1978 for continued construction of water distribution and drainage facilities, contingent upon a commitment from the Westlands District to repay all costs. It also requires the Interior Department to create a task force which must report to the Congress on January 1, 1978, on the financial status, management, organization and operations of the San Luis Unit. A renegotiated water service contract would follow the completion of the task force report.

Secretary Andrus has already begun a review of the Westlands problem which he feels can readily be conformed to fit the task force requirement in the bill. OMB states that the \$31,050,000 authorization is consistent with your FY78 Budget request.

The Interior Department testified in favor of the legislation. The one-year limitation on the increased authorization ceiling is particularly significant as it provides some assurance that reform will be achieved prior to project construction beyond FY78. The bill is the product of a compromise among opposing views in the California Congressional delegation.

THE VOTES IN CONGRESS

House: passed, 377-14.

Senate: passed by voice vote.

ARGUMENTS FOR SIGNING

- The bill provides a statutory mandate for solving the Westlands Water District controversy while continuing ongoing project construction under appropriate limitations.
- Although the Secretary's discretion in formulating the review task force is curtailed by the legislation, the Interior Department effort can readily conform.
- The bill has the approval of divergent members of the California delegation (in particular, Bernard Sisk and George Miller).

ARGUMENTS FOR VETO

- All construction should stop pending resolution of the Westlands controversy.

AGENCY AND STAFF RECOMMENDATIONS

Interior and OMB recommend that you sign the bill. SBA, EPA and USDA have no objection to the bill, and Justice defers to Interior. Senior staff concurs. I also recommend that you sign the legislation.

DECISION

_____ Sign H. R. 4390

_____ Veto H. R. 4390

THE WHITE HOUSE
WASHINGTON

June 15, 1977

Tim Kraft

The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling.

Rick Hutcheson

cc: Frank Moore

XC

Re: Request from Congressman
Krueger for a meeting

THE WHITE HOUSE
WASHINGTON

Log This
in and
out



HOUSE OF REPRESENTATIVES
WASHINGTON, D. C. 20515

BOB KRUEGER
21ST DISTRICT, TEXAS

June 13, 1977

Dear Mr. President:

I never mind politically disagreeing with others, as long as that difference is based on firmly-held convictions about what is in the public interest. At the same time, it seems to me that the essence of good government is to attempt to identify the threads of common purpose among a large and varied populace in order to direct the aspirations and energies of many people toward a common end. It is my considered judgment that our national confidence in our economy, and our own economic recovery, will come more readily if we may find ways of lessening rather than enlargening federal controls, and I would like to work with you toward that end.

You extended an invitation last week to members of the Energy and Power Subcommittee to talk with you personally, if we felt that we needed to, about our national energy policy. I feel that I can work with you to assist your Administration in achieving many of its goals, most of which we share. You might have more able workers, but none who would work more diligently.

I therefore request the opportunity to meet with you to discuss how I might try to assist your Administration in the passage of its energy plan. In addition, I would like to discuss with you ways in which I feel your Administration could strengthen its position with Mexican-Americans, who can remain secured as supporters of your Administration if several fairly simple actions are undertaken soon.

I would not wish to abuse the time of any President of the United States, but I would not wish to neglect an opportunity for discussion that might lead us to common rather than divided purpose. I therefore request the opportunity of a brief meeting at your convenience.

Respectfully,

ROBERT KRUEGER
Member of Congress

The Honorable Jimmy Carter
President of the United States
The White House
Washington, D. C.

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THE PRESIDENT HAS SEEN.

dk
J

THE WHITE HOUSE

WASHINGTON

June 15, 1977

MEMORANDUM FOR THE PRESIDENT

FROM

STU EIZENSTAT

Stu

SUBJECT

Signing statement for H.R. 4390 -- Authorizing
Appropriations for the San Luis Unit, Central
Valley Project, California

Secretary Andrus has requested that he announce the signing of the above bill while he is in California. After checking with senior staff, it appears that the best time for the announcement is 8:30 am Pacific time Thursday.

Attached is a draft statement for him to issue on your behalf. If you approve, we need to transmit the text to him as soon as possible.

The statement has been approved by the Assistant Secretary of Interior for Land and Water Resources, who is in charge of the Westlands investigation.

original to Bob Linder
6/16/77

PRESIDENT'S STATEMENT ON H. R. 4390

I am pleased to sign H. R. 4390, a bill which marks a major step toward correcting deficiencies in past practices of the Bureau of Reclamation. It addresses the San Luis Unit of the Central Valley Project, in particular, the need to study and reform the water service contract in the Westlands Water District.

I am particularly pleased that the Congressional delegation from the State of California has joined together to make this legislation a reality.

Recent investigations have shown that undue public subsidies to large landowners are occurring in the Westlands area. Even before the passage of this legislation, Secretary Andrus had already begun a review of the situation. This bill establishes the statutory framework for analyzing the problem and coming to a solution, while continuing construction on some of the project features during Fiscal Year 1978. It sets up an Interior Department Task Force, including representatives from the State of California, which will report back to the Congress on January 1, 1978. The investigation required by this bill should lay the foundation for the negotiation of a new Westlands Water District contract which will fully protect the interests of the people of the United States and will conform to all applicable law. In addition to assuring equitable prices for water, the Department will enforce acreage limitations to assure broad distribution of benefits and seek to promote sound groundwater management.

This important effort will be going on at the same time as my Administration, under the leadership of Secretary Andrus, is developing far-reaching reform initiatives in water resource policy. Particularly in this drought year, it is apparent that we as a nation must insure that our water resource policies reflect the urgent necessity for wise planning, water conservation, environmental protection and equity for all water users.

I look forward to working with the Congress to build on their record of legislation such as this bill I am signing today.

dk
J.C.

THE WHITE HOUSE
WASHINGTON

June 15, 1977

Gretchen Poston

**The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling.**

Rick Hutcheson

Re: Dinner for President Perez
Guest List for Dinner for
Chancellor Schmidt

THE WHITE HOUSE
WASHINGTON

ACTION	FYI
<input type="checkbox"/>	MONDALE
<input type="checkbox"/>	COSTANZA
<input type="checkbox"/>	EIZENSTAT
<input type="checkbox"/>	JORDAN
<input type="checkbox"/>	LIPSHUTZ
<input type="checkbox"/>	MOORE
<input type="checkbox"/>	POWELL
<input type="checkbox"/>	WATSON

<input type="checkbox"/>	ENROLLED BILL
<input type="checkbox"/>	AGENCY REPORT
<input type="checkbox"/>	CAB DECISION
<input type="checkbox"/>	EXECUTIVE ORDER

Comments due to
Carp/Huron within
48 hours; due to
Staff Secretary
next day

<input type="checkbox"/>	FOR STAFFING
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<input checked="" type="checkbox"/>	FROM PRESIDENT'S OUTBOX
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<input type="checkbox"/>	STRAUSS
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<input type="checkbox"/>	VOORDE

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

June 14, 1977

MEMORANDUM TO: THE PRESIDENT
FROM: GRETCHEN POSTON *GP*

President Perez has requested through our Ambassador to Venezuela - that Mr. and Mrs. Ted Sorenson be invited to the State Dinner.

Mr. Sorenson was counsel to Perez when he was considering suing the New York Times for their article accusing him of accepting CIA funds while Interior Minister.

Yes, invite the Sorensens ✓

No

J

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THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

June 15, 1977

MEMORANDUM TO: THE PRESIDENT

FROM: STU EIZENSTAT *SE*
FRANK RAINES

SUBJECT: Meeting with Grace Olivarez

Grace Olivarez, the Director of the Community Services Administration, has requested a meeting to discuss with you some of her plans for the agency.

The Director has submitted a request to OMB for a budget amendment to increase the Administration request from \$442.5 million to \$606 million. The House Appropriations committee has given the agency \$573.8 million and the Senate subcommittee has voted \$542.3 million. Yesterday, OMB denied the CSA request for a budget amendment, leaving open an appeal to you.

The budget issue involves not only levels of funding but also the allocation between programs. There is a serious timing problem because the congressional appropriations process has proceeded so far. I recommend that you suggest to the Director that she work with my staff and OMB to prepare a memorandum for your decision as quickly as possible.

The Director is primarily concerned with obtaining your support for her efforts to revitalize the agency. The federal office and the local community action agencies have a long standing concern that the Community Services Administration will be abolished. Support for her efforts to make the agency effective need not prejudice the results of the reorganization study.

One area where most of the policy people in the administration think CSA can be most useful is in developing and testing new programs and ideas on how to make government programs work better for the poor. This is an approach which Ms. Olivarez wishes to pursue.

x

THE WHITE HOUSE
WASHINGTON

2 PM

June 14, 1977

MEETING WITH GRACE OLIVAREZ
Wednesday, June 15, 1977
2:00 p.m. (15 minutes)
The Oval Office

From: Joe Aragon JA

I. PURPOSE

To meet with the Director of the Community Services Administration.

II. BACKGROUND, PARTICIPANTS & PRESS PLAN

- A. Background: As you know you appointed Graciela (Grace) Olivarez on April 29th to run the Community Services Administration (CSA- formerly OEO). Since then Grace has been working hard to hire a professional staff, improve the agency's efficiency, raise morale and generally improve the delivery of services to the poor.

Grace is now anxious to move ahead with the business of the agency and needs some guidance from you on the matters discussed below.

- B. Participants: The President, Grace Olivarez, Jack Watson, Joe Aragon.
- C. Press Plan: White House Photo.

III. TALKING POINTS

- A. Budget - Grace has submitted a budget to OMB which OMB has substantially reduced. The OMB budget is \$442.5 million vs. CSA's proposed budget of \$606 million. OMB feels that the federal budget must be kept down. Grace feels that increases are imperative.

OMB has also eliminated all winterization (weatherization) funds. Grace believes there is a strong argument for restoring them.

- B. Section 631 of the Economic Opportunity Act authorizes you to establish an Economic Opportunity Council to coordinate governmental anti poverty efforts. Grace feels she needs this in order to bring CSA back into

the mainstream of the government. At present, CSA simply is not being included in decision making processes that effect the poor.

- C. National Office of Migrant and Seasonal Workers - A bill presently before Congress, HR 1988 introduced by Rep. Edward Roybal, would establish a National Office of Migrant and Seasonal Workers within CSA. Over the last eight years, the fragmented and disorganized migrant programs within HEW have become a symbol to migrants of institutionalized bureaucratic unresponsiveness. Grace would like to discuss your possible support of this legislation.
- D. Summer Youth Recreation - This \$17 million program currently housed in CSA has been eliminated by OMB. Grace would like to have it restored.
- E. Cabinet Meetings - In order to underscore the revived importance you place on the war against poverty Grace would like from time to time to be able to sit in and observe Cabinet meetings.
- F. Moral support - Perhaps more than anything else Grace needs to be able to reaffirm to the staff, constituents and friends of the agency that you stand beside her in her efforts to minister to the needs of this nation's 25 million poor.

OMB COMMENTS



EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

JUN 14 1977

MEMORANDUM FOR THE PRESIDENT

Subject: Presidential Briefing Paper for Meeting with
Director Olivarez of Community Services
Administration on June 15, 1977

COMMUNITY SERVICES ADMINISTRATION (CSA)

SELECTED CURRENT ISSUES

JUNE 15, 1977

BUDGET

The Community Services Administration (CSA) has requested a 1978 budget amendment of \$163.5 million over your Budget recommendation of \$442.5 million for the agency. Primarily the added funds would increase general program and administrative funding for community action agencies, finance CSA's energy conservation program, initiate a migrants program, and restore the community economic development program to its 1977 appropriated level. OMB has recommended no budget amendment for three reasons. First, your budget has already added \$44.5 million for CSA over the Ford budget. Second, increases could not be justified on programmatic grounds since most of CSA's programs fund activities also sponsored by other Federal agencies (e.g. programs for home insulation, feeding, food stamp outreach, migrants, etc.). Third, increasing the CSA budget at this time would not be viewed as an initiative unless the budget amendment is close to or over the expected Congressional recommendation in the Labor-HEW bill. We expect the bill will include about \$130 million for CSA over your budget request.

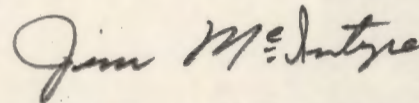
STAFFING

Current full-time permanent employment at CSA is about 950. An internal reorganization plan for the agency approved by President Ford called for 1,067 full-time permanent positions. Director Olivarez has modified that plan. As part of your Government-wide reduction in Federal staffing, the revised employment ceilings for CSA were 1,042 for 1977 and 1,037 in

1978. We believe these revised ceilings still give Director Olivarez considerable flexibility in filling new vacant positions to strengthen CSA's weak management and staffing capabilities.

EXTERNAL REORGANIZATION

The OMB Reorganization Project is reviewing CSA's programs in the context of social services reorganization possibilities. CSA's programs are distinct counterparts to many other social services programs of HEW, Labor, Agriculture, Federal Energy Administration and other agencies. The community action agencies receive only about a third of their program funds from CSA with most of the remainder from other Federal agencies. The reorganization staff is sensitive to the view that there be an independent, high-level spokesperson for the poor in the Government and if a CSA reorganization were proposed, this concern would be addressed.



James T. McIntyre, Jr.
Deputy Director

130PM

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

June 14, 1977

GREETING PARTICIPANTS IN THE RURAL ELECTRIC
COOPERATIVE YOUTH PROGRAM

Wednesday, June 15, 1977

1:30 P. M. (10 minutes)

The Rose Garden

(East Room in event of rain)

FROM: MARGARET COSTANZA *mc*

I. PURPOSE

To Greet the 1977 Participants in the Rural Electric Cooperative Youth Program and make brief remarks prior to the group's tour of The White House.

II. BACKGROUND, PARTICIPANTS AND PRESS PLAN

- A. Background: 928 Young People representing 23 states and 7 foreign countries have been competitively selected to take part in this year's activities. The Youth Tour Program was initiated in 1957 at the suggestion of then Senator Lyndon Johnson. Since its inception over 14,000 high school students have spent several days in Washington observing first hand the processes of their national government.
- B. Participants: See Tab A
- C. Press Plan: White House Press - Photo Opportunity

III. TALKING POINTS

To be provided separately by Jim Fallows

IV. SCENARIO

Prior to your arrival, the program will have been in session 10 minutes. During this time, Margaret Costanza will have welcomed the group and made brief remarks.

At 1:30 P. M. you will depart your office, proceed to the Rose Garden, greet and make remarks to the Youth Tour

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-2-

participants. Following your departure the Rose Garden program will end and the participants will be given a tour of The White House.

D. Robbins:erc

TAB A

Participants

The President

Arthur Mitchell
Coordinator,
Rural Electric Cooperative Youth Tour

Robert D. Partridge
General Manager,
National Rural Electrification Cooperative Association

9 newly elected Youth Members - Executive Committee

919 additional Youth Participants

Margaret Costanza
Assistant to The President

FALLOWS TALKING POINTS

THE WHITE HOUSE

WASHINGTON

June 10, 1977

MEMORANDUM TO THE PRESIDENT

FROM: JIM FALLOWS *Jm*

SUBJECT: REA Youth Group

Achsah Nesmith has prepared the following talking points.

1. Apart from the church and school, nothing from outside the farm had the impact on your life when you were growing up that the coming of electricity through REA had in the 1930s.

a. Daily living patterns were transformed. Not only did the burdens of pumping water, sawing wood, building fires in the cook stove and filling the kerosene lamps end, but never again did you have to sleep in a cap when you went to Columbus because electricity saved you from the traumas of the hand-cranked mule-clippers.

b. Your family's horizons expanded. With electricity the world came into the most isolated farms. Horizons have expanded even farther for these young people. In your childhood you had an occasional hour with the radio hooked up to the car battery. They grew up with political conventions, astronauts walking on the moon and Watergate hearings in their livingrooms. There were new cultural opportunities for music and plays and common experiencing of historical events.

c. Although you thought you had come a long way from Plains having dinner with the Queen of England, you discovered you couldn't take the farm out of the boy. As our first dirt farmer President since Jefferson, as soon as you got out of the country on your first state visit you went out and planted a tulip poplar tree in England. Whatever it says about your years as a farmer, you hope the premature death of that tree is not indicative of what will happen to the seeds of understanding you also tried to plant at the London summit.

2. Today farm youth are a much smaller percentage of the population than when you were a teenager.

Just as you once did, they face the choice of making their lives in a different world, or going back to the farm and sharing the traditional values of rural life. Farm life is changing -- they have a greater share in the general culture and probably many come from families with a breadwinner who works in town -- but it is also the most constant of all professions. Virtually all farmers are the children of farmers. Almost all the next generation of farm families will come from the ranks of young people like these here today.

3. Farmers hold the key to one of the world's most serious problems -- producing enough for the world's growing population.

a. Incredible progress has been made in recent years in increasing yields, but this same period has brought new dangers of chemical pollution, water shortages, energy running out.

b. Conservation, recycling, using the waste products of one operation to make another more productive have always been part of every farm family's life. In recent years we have found important uses for many of our former waste products -- from cottonseed oil to pine bark. We need to find ways to use materials more efficiently both to conserve our scarce resources and to avoid the damage to our environment that disposal often causes.

c. The young must accept responsibility for helping to solve these problems. Major breakthroughs and discoveries in science are often made by young physicists, biologists, chemists.

4. We need young people to prepare themselves in all fields to make the breakthroughs and discoveries to solve both the old problems -- poverty, ignorance, disease, hunger -- and new ones -- pollution, energy, noise -- so that people all over the world may lead better, healthier, more productive lives and enjoy freedom and opportunity.

12:PM

THE WHITE HOUSE

WASHINGTON

Meeting with
Dr. C. G. Alexandrides ("Alex")
Wednesday, June 15, 1977
The Oval Office
(10 minutes)

(by: Fran *frank*)

PURPOSE: to give interview for book Alexandrides is writing on the President - PROFILE OF A MANAGER AND A LEADER.

BACKGROUND, PARTICIPANTS, PRESS:

- A. Background: Alex served as liaison with the Greek community during the campaign. He is a professor of Management at Georgia State University, is writing a book on the President as a manager, asked for the interview, and was granted same.

(Outline of Book attached for reference.)

- B. Participants: The President and Dr. Alexandrides
- C. Press: White House Photographer only.

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THE WHITE HOUSE
WASHINGTON

June 15, 1977

EYES ONLY

Jim Schlesinger

The attached was returned in
the President's outbox and is
forwarded to you for appropriate
action.

Rick Hutcheson

cc: Hamilton Jordan

Re: Nuclear Regulatory Commission

THE WHITE HOUSE
WASHINGTON

" 2465 ONLY "

ACTION
FYI

	MONDALE
	COSTANZA
	EIZENSTAT
X	JORDAN
	LIPSHUTZ
	MOORE
	POWELL
	WATSON

	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER

Comments due to
Carp/Huron within
48 hours; due to
Staff Secretary
next day

	FOR STAFFING
	FOR INFORMATION
X	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

	ARAGON
	BOURNE
	BRZEZINSKI
	BUTLER
	CARP
	H. CARTER
	CLOUGH
	FALLOWS
	FIRST LADY
	GAMMILL
	HARDEN
	HOYT
	HUTCHESON
	JAGODA
	KING

	KRAFT
	LANCE
	LINDER
	MITCHELL
	POSTON
	PRESS
	B. RAINWATER
X	SCHLESINGER
	SCHNEIDERS
	SCHULTZE
	SIEGEL
	SMITH
	STRAUSS
	WELLS
	VOORDE

THE WHITE HOUSE
WASHINGTON

PERSONAL
CONFIDENTIAL

6-15-77

To Jim Schlesinger

I'm considering appointing
Peter Bradford as Chairman
of Nuclear Regulatory
Commission, having appointed
Hendrie & Hanson whom
you nominated as mem-
bers.

Please comment -

J. C.

cc Ham

Jimmy Carter:
Profile of a Manager and a Leader

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Book Outline

Jimmy Carter:

Profile of a Manager and a Leader

I. Introduction

The purpose of this book is to draw a profile of President Carter's leadership and management style based on observation and research of Carter as a naval officer, businessman, governor, candidate for president, and president. A portrait of Carter as a situational manager and leader is drawn from studies of Carter's styles as an authoritative naval officer, a profit oriented businessman, a consultative governor, a participative candidate for president and an activist president. Analysis of Carter in these roles indicates that his dominant styles will be democratic management and adaptive leadership. Carter defies categorization; but an evaluation of his past and present roles provides for a better understanding of the Carter presidency.

II. Carter's Management Philosophy

Carter's management philosophy is influenced by his managerial values, which are based primarily on ethical rather than material considerations. The public interest takes precedence over special interest. Carter believes in the promotion of the common good through a partnership of business, labor and government. Moreover, the people must participate and take an active interest in government, if government is to be effective. A better quality of life for all is the end, with ethical means predominant.

An excellent example of Carter's humanistic values is his method of getting inputs from the people in order to define objectives. Carter perceives himself as a public servant; he is a leader working not so much

for what he personally believes are the best interests for the people as for what the people themselves believe is best for them. A leader may lead his people in pursuit of arbitrary goals of his own choice, based on his perception of the public's goals from a distance; or he may go directly to those he leads and formulate his goals based on consensus of their stated wants and needs.

Is Carter really doing what the people want, after making such a grandstand play out of going to them for his goals? Considering Carter's energy policy, for example, one may ask if he is really responding to the goals of the people, or if he is setting the goals himself with a paternal attitude of "I know what is best for you."

Carter has been criticized in that his "basic belief is about procedures for making policies" rather than being an "ideologue of policy." Carter's concern with procedures can be attributed to his engineering background and analytical mind as well as his situational management style. An apparent overconcern with procedures may be due to the fact that during the campaign he had to continually answer questions on how rather than what he wanted to accomplish. The critics contend that government long-range planning, openness and reorganization are instruments rather than policies; however, if one defines these procedures as economy, responsiveness and effectiveness of government, then they become ends rather than means. Carter's critics conclude that in Carter's presidential policies "contingency may overwhelm concern." It is overlooked that contingency is only one variable in Carter's decision making process, which is based on philosophical and ethical as well as pragmatic considerations. Is the contingency variable the dominant one?

Carter believes that politics is the art of compromise without compromising principles. He puts more emphasis on ethics, truth and morality

than political expediency. He did not make political deals to enhance his candidacy; although sympathetic to labor, for example, he told George Meany that he would appreciate his support but did not offer any special favors in return. His oft-repeated statement, "I will not lie," reveals a great deal about the character of the man. He wanted badly to win the election but as a man and a manager he refused to stoop to the unethical methods often used in political campaigns. He was outraged upon discovering the existence of a manual for attracting crowds by sneaky methods, which was being used by his scheduling staff, and had it banned.

As a candidate for President, Carter made many campaign promises which have been published in a manual by the White House. The President has stated that he intends to keep his campaign commitments. However, it can be argued that some commitments have already been violated. Can violations of campaign commitments be construed as broken promises? Carter has been called enigmatic and unpredictable. Can those who voted for him on the strength of his campaign promises trust him?

III. Leadership and Management Style

Is Carter a democratic manager? A definition of a democratic manager includes the requirement of decision making on the basis of inputs from subordinates. It has been contended that Carter's management style is more consultative than participative in view of the fact that the advice of subordinates is not always incorporated in his decision making process. Carter seldom relies on his staff exclusively. He frequently goes outside his staff to solicit advice. It may be poor management to do this, particularly because Carter practices management by exception. He demands high performance of his staff; they are not to come to him for decisions except under exceptional circumstances.

Carter and Rickover

Carter has learned from both the good and the bad aspects of Admiral Rickover's management style during his association with him. Admiral Rickover is generally considered a dictatorial leader who manages by fear. He promotes cut-throat competition among his subordinates. He is a perfectionist and he believes that the ends justify the means. He does, however, force his staff to practice efficiency and economy of time. The Admiral motivates his people by setting an example of hard and dedicated work and by rewards of early promotions. It is also quite a feather in one's cap, for both government and industrial careers, to have work experience under Rickover on the resume. Persons who have served under Rickover appreciate the goals of the man but not his methods of achieving them, though his type of management can be tolerated in a military organization. Fortunately, only some business organizations and few public agencies are run on a similar basis.

Carter has often cited Rickover as one of the primary influences in his life. It is questionable, though, how much of Rickover can be found in Carter the manager. Some similarities have been pointed out: that Carter believes in the delegation of authority while clinging to his power, that he cannot function well with strong-minded assistants who disagree with him and that he is a hard driving perfectionist. It has also been noted that there is a budding morale problem among the Carter staff, due to competition and lack of recognition from the President, comparable to the morale problem among Rickover's staff.

The dissimilarities between Carter and Rickover as managers are interesting to examine. Carter as a Presidential candidate, prior to his nomination, was very much the participative manager, seeking and accepting

advice from his subordinates. After his nomination he turned over the management of his campaign to Hamilton Jordan; such complete trust in a subordinate in such a vital matter is a trait that would be difficult to find in the authoritarian Rickover. Moreover, the Admiral demanded from his subordinates total loyalty to him, but at the same time refused to trust them completely. They were constantly under his scrutiny. Many became justifiably disappointed and left his organization.

Another question concerning Rickover's influence on Carter: who else was there to influence him? Carter's management career consists only of his military experience, his management of the family peanut business, and his governorship of Georgia. Rickover was Carter's only real "boss"; thus Carter and Carter observers may give too much importance to the Admiral's influence.

B. Carter as a Businessman and Community Leader

Carter became a full-time businessman after the death of his father, when he left the Navy and returned to Georgia to manage the family peanut farm. He developed the business into a profitable enterprise, and expanded it to include a cotton gin plant. Business associates of Carter describe him as a man who believed strongly in the free enterprise system and in making a profit, and also testify to his reputation as an honest and ethical businessman. Carter was an early practitioner of the idea of the social responsibility of business, believing that business should benefit the community as well as itself. Could Carter, with his belief in social responsibility, have become a successful agribusiness executive?

C. State Politics

Carter made his political debut as a state senator in the early 60's. He had attained his goals in agribusiness and was becoming bored with devoting his time exclusively to management of the peanut farm. Always a high achiever, he saw politics as a challenging new venture.

Carter directed most of his energy as a state senator to improving the quality of higher education. He was also very interested in bringing international trade and investment to Georgia, and in developing tourism in the state. He worked for the preservation of the natural environment.

The support Carter received from his constituents encouraged him to run for governor in 1966. He was defeated. Applying the lessons learned in this unsuccessful campaign, he ran again for governor in 1970, and won.

1. Carter's leadership and management style as governor.

What kind of manager was Jimmy Carter as governor of Georgia? His dominant management style was consultative. He usually consulted his subordinates for advice and made the major decisions, with some delegation. However, he often went outside his staff to obtain independent opinions. He limited his office staff to persons who performed primarily in political functions and place his specialists in appropriate agencies.

Carter was a situational leader. His leadership style was oriented to each task and person involved rather than being authoritarian and inflexible. He encouraged participation but discouraged abuse of his time. He motivated subordinates by allowing them involvement, and obtained performance by suitable rewards or reprimands.

Carter's primary goals were government reorganization and zero-based budgeting. Reorganization of over 300 Georgia government agencies to 22 was accomplished through the inputs of a commission of 117 management experts and was considered successful. Carter's zero-based budgeting, which required department heads with subordinate participation to determine priorities annually among their programs and fully justify each allocation, was a considerable improvement over the incremental state budgeting system. His goals included strong consumerism and ecology laws, social development, and upgrading of the quality of education, which met with limited success. The goals of improvement of the transportation system, economic development, and encouragement of international trade and development met with much more success. For example, during his administration Georgia went from the lowest to the leading exporting state in the South.

Carter had to buck most members of the Georgia House and Senate during the first year of his administration, but his tenacity and energy won the respect if not always the support of the Georgia legislators, and the last three years of his governorship can be considered successful in terms of his relationship with them. He was always popular with the people, keeping in touch with them through radio call-in shows, speeches at churches, weekly news conferences, and fact finding commissions. He often went directly to the people when thwarted by the legislators, and usually had their support. His Goals for Georgia program is a good example of the success of this tactic. Composed of proposals developed from actual inputs from the people, many of the bills in this program were passed.

Hamilton Jordan and Jody Powell make their initial political appearances as volunteer campaign workers in Carter's 1966 gubernatorial campaign; Jordan managed the 1970 campaign with Powell as a campaign aide. After Carter's election they served as Executive Secretary and Press Secretary respectively. Frank Moore, who began as Carter's liason with the members of the Georgia General Assembly, succeeded Jordan as Executive Secretary in 1972 when Jordan left to work for the Democratic National Committee.

Under Carter's governorship, the expanding economy of the state made possible an improvement in the quality of service without a general statewide tax increase. More state services were made available because of economy and efficiency resulting from the reorganization. Many successful reforms, such as judicial and law enforcement, were undertaken based on programs which the people wanted their governor to initiate.

Can Carter's effective performance as governor be attributed to his leadership style? Is his strategic management responsible for the efficient delivery of state services?

Could Carter have been elected to a second term as governor, if the Georgia Constitution permitted him to run for re-election? Could he have been elected as a Senator from Georgia? Critics contend that he may have run for President simply because he could not run for a state office; he did not have the support in the Georgia legislature to have a constitutional amendment providing for a two-term governorship passed. He also realized that Herman Talmadge's position as Senator was unassailable.

Carter was too committed to the improvement of state services through reorganization and reform to worry about politicking for a constitutional amendment for a second term. His decision to run for president was made immediately after the democratic nomination of George McGovern in July 1974. Carter carried his own state of Georgia by 2 to 1 over Ford.

D. The Presidential Campaign

Carter's participative management style was demonstrated during the campaign. The campaign organization was a flat structure with emphasis placed on decentralization and open communication. The majority of Carter's campaign workers were young people, whose average age was under 30. He was able to motivate these young people with enough enthusiasm and creativity to compensate for their lack of experience. They were able to pursue goals without the constraints of specific job descriptions.

After the Democratic nomination Carter participated much less in management of his campaign so that he could devote time to visiting all of the states. Hamilton Jordan, his campaign director, assumed full supervision of the campaign.

Jordan's management style was even more participative and less formal than Carter's. This free style of management, characterized by the lack of well-defined lines of authority, extended even to the secretarial and clerical staff at the campaign headquarters, who functioned independently. This environment bred excellent motivation, but a general complaint was that the staff seemed to be all chiefs and no Indians.

The structure of the campaign organization was flat and flexible. A departure from the decentralized structure was noted in the issues department, which was not able to function effectively towards the end of the campaign.

Two coordinators, based in Washington, collected input on issues in the form of written briefs and transmitted it to the issues department at campaign headquarters in Atlanta. Workable at the beginning, this approach eventually proved to be short sighted planning because of the overwhelming response.

The small issues staff of about a dozen people in Atlanta was not prepared to process such a mass of information effectively. The staff was unable to contribute enough new ideas to Carter on a continuous basis, and as a result, Carter appeared to "dry up" on issues in the latter part of the campaign.

The press office was responsible for disseminating information, primarily from the campaign and issues departments, to the communication media. The Atlanta staff was small and overworked, but relied to a great extent on state campaign press offices in order to perform effectively.

The scheduling and advance offices were combined under one manager. The scheduling office was responsible for organizing Carter's calendar, while the advance office sent people ahead of Carter to make all necessary preparations for his appearances. Though under the general supervision of the campaign director, they functioned so independently that the scheduling office rather than the political director were closest to the candidate. The political director was forced to work around the scheduling and advance offices.

The political director functioned under the campaign director and was responsible for the coordination of the campaign, which included coordination of Democratic National Committee activities and support of Democratic congressional candidates. He was in charge of the various "desks": ethnic, women, religious, etc.

The ethnic section was established late in the campaign, as a response to the concern of ethnic groups over the abortion issue. As this section developed, high officials in the campaign belatedly recognized the need for intensive campaigning among ethnic groups on all issues and not just abortion. This section was operated mostly by volunteer workers as no provision had been made in the campaign budget for it. These workers were loosely organized under the Deputy Political Director and functioned independently. This section

was very successful in the percentage of ethnic votes won, including many Catholic votes.

The minority section did an excellent job in getting out the vote for Carter. This was also an independent section under the Deputy Political Director, and in contrast to the ethnic section was established and funded early in the campaign. The early recognition of the role of women in the campaign resulted in a successful performance by this section. Carter's support of women's rights issues encouraged many well qualified women to work for the campaign.

Many people volunteered their services for all levels of campaign work. However, most of these people were not utilized effectively in spite of their obvious dedication and commitment. The prevailing attitude among the younger, paid campaign staff was negative; they felt that volunteer workers were unqualified and would not be reliable and conscientious; this attitude is seldom found among older and more experienced professional campaign workers. However, it should be noted that some departments, such as Conservation and Budget and Finance, were able to use volunteers to great benefit.

The vice presidential candidate had his own separate campaign organization, on a reduced scale, with many of the same divisions as the presidential campaign organization. The Mondale campaign people functioned very effectively in view of their small number, able to coordinate their efforts with those of the Carter campaign people while avoiding conflicts.

Field coordination of regional and state campaign offices was under the authority of the campaign director. The manager was responsible for the appointment of state campaign managers, who were usually from outside the state. The rationale behind this policy was to avoid potential conflicts

between established political groups. However, in states where political organizations functioned with minimal conflict and had an accepted leader, the policy caused resentment, as it did in California.

The financial aspects of the campaign were handled by a staff of young accountants. Federal campaign financial regulations were not only complex but were constantly being changed and reinterpreted. The highly frustrating task of complying with these often ludicrous regulations was carried out very efficiently.

Campaign advertising was done by an Atlanta advertising agency, which functioned independently from the political campaign. The company provided creative political advertising. Overall, the ad campaign was highly successful. However, some aspects of the ad campaign were not properly coordinated through the political experts. For instance, agency officials began with the assumption that political advertising in ethnic papers would be of little use due to the small circulation of these papers. This attitude was reinforced by the belief of some agency officials that the vote was already "wrapped up" in certain ethnic groups, and advertising in their papers would be superfluous. The ethnic office of the campaign impressed upon the agency the importance of placing such ads, both as a matter of principle and as a means of getting votes.

In contrast to the political game plan of the primaries, there was no campaign strategy for the general election. It was generally assumed that the 2-1 lead over Ford with a good media campaign and the TV debates would clinch the victory for Carter. However, Ford's campaign strategy was not seriously taken into consideration and this oversight almost lost the election. A management crisis occurred and decisions were made which were not sound. While it was a good decision to enter the primaries in all states since delegate votes

were won regardless of majority, it was not necessary to campaign in all the states for the general election, since electoral votes were won on the basis of winner-take all. Hence, the decision to enter all the states during the general election instead of concentrating on marginal states was not the best.

The modern management methods Carter and his top managers used from the inception of the campaign, however, had engendered enough support for Carter that the last-minute management mistake of frantic nationwide campaigning was not a fatal one. In retrospect Carter's presidential campaign was a victory for both the candidate and the concept of modern management.

E. The Presidency Begins, November 3, 1976.

1. The Transition

The Policy Planning Office under Jack Watson was formally established after the Democratic nomination. The objective of the group was to prepare plans for a smooth and speedy government transition in the event of Carter's election, and to expedite one of Carter's highest priority plans for government reorganization. The main function of this office was to interview specialists in many fields, write job descriptions for high level positions, and provide "option papers" for Carter's use which dealt with various issues; in the latter case there was some duplication of the function of the Issues Department at campaign headquarters. Watson functioned as an autonomous manager, independent from the authority of the campaign director, reinforced in this by the geographical separation of his office from campaign headquarters.

Watson and his 18 member staff visited with hundreds of top persons around the country and received excellent response. Option papers were prepared on issues such as national health insurance and tax reform, and briefly volumes were prepared on every department and agency of the government. The office also conducted a talent search, and by November 1976 had compiled a bank of 7000 names to present to Carter. The bank included names for such high level positions as ambassadors and Supreme Court candidates.

The transition program was well thought out, organized, and managed; however, it failed to have the desired effectiveness after the election. There were two major problem areas: one concerned the Cabinet officers, those who dragged their feet in selecting their assistants (who in turn would appoint most of the jobs), and those such as Brock Adams and Joseph Califano, who chose not to use the prepared talent bank.

The other and more serious problem was rivalry between Hamilton Jordan and Watson. After the election, Carter appointed Watson as director of transition, therefore inadvertently replacing his line chief, Hamilton Jordan, with his staff chief. Carter attempted to resolve the resultant conflict by appointing Jordan director of the recruitment program. He then instructed the two men to work out their problems between themselves towards the common goal of a successful transition. This is consistent with Carter's policy of encouraging competition. However, this competition led to conflict which severely lowered the morale and performance of the transition staff.

The severity of the morale problem among the transition staff was also due to their own expectations. Though they had been hired or accepted as volunteers during the campaign with the understanding that there would be no guarantee of a job after the election, they naturally had hoped that their loyalty and hard work would pay off in the end. Many had taken pay cuts, leaves of absence from their jobs, and leaves of absence from their spouses in order to work in the campaign. Three days before the inauguration, only 50 of the 300 salaried and 200 plus volunteer transition workers had obtained government jobs. Though there were certainly some transition workers who had an inflated idea of their own importance and others who were motivated solely by the hope of personal gain, it is difficult to criticize the majority of the staff for feeling disillusioned and forgotten.

The transition was not as successful as it could have been primarily because of the lack of cooperation between the top managers, divided responsibility and lack of clearly defined objectives. However, the cooperation of the outgoing administration, the absence of a major external crisis and adequate funding alleviated some of the problems.

2. "People's Inaugural"

The inauguration was the most poorly managed and most unsuccessful of the Carter organizations. Designed as a "people's inauguration", it was to be a festivity open to the public, informal and non-traditional, to reflect Carter's style. It was also intended to be a celebration of the unity and diversity of American life, with events planned to recognize all American ethnic and minority groups. But the "people's inaugural" was managed so badly that many feel it did Carter long-term political damage.

Though it was Carter who wanted an informal inaugural, it is uncertain who actually took the first step of giving the project to two co-chairmen, Bardyl Tirana and Vickie Rodgers. It is thought that this was a joint decision of Hamilton Jordan, Charles Kirbo, and Robert Lipshutz. Tirana was a Washington lawyer who had social connections but no knowledge of state and local politics; he handled transportation arrangements for Carter during the campaign. Rodgers, who had been a legal secretary for Charles Kirbo's law firm in Atlanta, was in charge of scheduling early in Carter's campaign and was relieved of her duties. The reasons for the choice of these two persons as top managers of the inaugural are also uncertain, though there are some undertones of cronyism in the selection of Rodgers when one bears Kirbo's influential position with Carter in mind.

The co-chairmen were too inexperienced to effectively manage their staff of 40 paid workers and 100 volunteers and to cope with the massive response to Carter's "Y'all come" message to the general public. The flat organization concept which had worked so well in the campaign failed in this case due to lack of organization and strong leadership; the tremendous amount of energy expended by the workers was not effectively directed.

Specific areas of complaint were invitations to the inaugural festivities and representation of ethnic groups in the publicized celebrations. Some contributors received two and three invitations apiece while others received none; many top Democrats who requested VIP tickets were either turned down or ignored. Many members of the general public were upset to find that the tickets they purchased at a high price entitled them only to attend a crowded party with a cash bar and no food.

The ethnic groups were so upset over lack of representation in the festivities that they sent a joint telegram to the inaugural committee complaining of being ignored after having given so much support to Carter. The most painful thorn in their sides was the televised inaugural eve program, which featured American entertainers; but the selection of entertainers failed to show the cultural pluralism of America and was termed "monocultural," "plastic," and "elitist." The ethnic groups complained further of snubs from the inaugural committee and various cuts in their budgets and programs.

The inauguration came off well in general due to the symbolism of the "people's inaugural", but when one looks at it as an example of project management it was not successful.

F. Carter as President

Analysis of Carter's background is the key to understanding his management and leadership style as President. His dominant style will be democratic and adaptive.

How will these management and leadership styles affect the Carter presidency? Carter as a democratic manager will be able to fully utilize the skills of his subordinates and will motivate them to give their best performance. Adaptive leadership will help him work with Congress as well as giving him the flexibility to make appropriate decisions in time of crisis.

Carter has demonstrated a special talent for management by objectives. The most outstanding display of this skill is government reorganization in Georgia, which is working well under the new administration. He has the same objective for the federal government and will probably be able to effect positive changes of a lasting nature.

There is disagreement over whether President Carter is primarily a political man who always has one eye, and both eyes of his professional political strategists, on his reelection in 1981 or a good manager who really believes in the concept of public service and is preoccupied with the implementation of his programs. Analysis of his background supports the latter, indicating nonetheless that he realizes good management of the federal government will be his best asset in 1981.

Carter's selection of management teams demonstrates his emphasis on managerial skills. He placed very able and competent persons in administrative positions in Georgia and many were so good that the present governor retained them. As President, Carter has chosen cabinet members and top

administrative persons who are capable, independent managers functioning under his policy direction. It is improbable that there will be an abdication of the Chief Executive's authority as in the case of Ford and Kissinger. However, Carter believes in delegation of authority; Vice President Mondale is to participate actively in major policy-making. Carter is the first President to fully utilize the resources of the second most important office of the government.

Carter has been accused of concentrating more on symbolism than on governing. A favorite target is his emphasis on informalizing the traditionally pompous and extravagant Presidency; but efficient management requires economy. He has also been criticized for his preoccupation with public opinion. However, responsiveness to the people is at the very heart of his management style and philosophy; he is not trying to be "popular" so much as to get the inputs of the people and keep their political support.

Because of his background and experience, Carter is taking his managerial responsibilities much more seriously than previous Presidents. Therefore he should be able to run an effective and efficient government.

Summary

Carter has proved himself to be a successful manager and leader because of his personal attributes and his ability to use effective management methods according to the task and the environment. As an adaptive leader he can relate to the situation effectively. Carter is a high achiever and expects the same level of achievement from others that he expects from himself. He challenges his subordinates higher level need, and motivates them to work towards his objectives as a means of achieving their own goals. They generally respond to intrinsic motivations, and have a feeling of participation and task involvement.

Carter as a participative manager encourages inputs from his subordinates in order to facilitate his decision making process. As a politician, and simultaneously as a person who has a high regard for human values, he operates by getting inputs from the people in order to define objectives. Carter perceives himself as a public servant. Analysis and evaluation of the different leadership and management styles of Jimmy Carter in past positions indicate that as President he will be a democratic manager and adaptive leader.

IV. Conclusion

History attests that the presidency is molded by the interaction of the man, the office and the situation. This traditional relationship is now challenged by new forces in society that are demanding a greater role in making of the presidency.

Historian Arthur Schlesinger aptly wrote that Carter defies political categorization, and that his outlook is managerial and his natural preoccupations are of an ex-business man, ex-engineer and ex-professional naval officer. He attributes Carter's conservatism to his business and professional background. However, Schlesinger fails to consider Carter's political background.

As the Chief Executive of Georgia, Carter believed that he was its chief manager. He was successful in adapting business management methods to public administration. His management objectives were set by going to the people. He was liberal in social and environmental issues but conservative in fiscal affairs. The two are not necessarily contradictory because efficient financial management provides means of financing needed social programs. Carter has been achievement oriented, bent on improving government services to provide a better quality of life for society.

Carter is a progressive manager, a scientific thinker, and an energetic and determined man. These qualities in addition to his record as a high achiever indicate that he will be able to attain most of his goals. He will manage his office in a highly organized way and will get excellent performance from his management team.

Georgia State University

university plaza
atlanta, georgia 30303

President Jimmy Carter
The White House
Washington, D.C.
20500

15 June 1977

Dear President Carter:

Thank you for your kindness to see me today.
As I know how valuable your time is I submit in writing
the following questions for your consideration:

1. The polls record an increase in your popularity
while indicating that the people don't know you. What is
your explanation?

2. What is your perception of the role of the
President? What do you think is your relationship with
the people?

3. What is the decision-making process by which you
decided to run for President?

4. Critics argue you are procedures not goals
oriented. What are your goals for Americans? Do you
find procedures are the real problems?

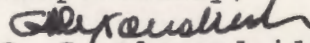
5. Is your management and leadership styles basically
similar when comparing your office of the presidency with
the office of the governor? Have they been extended on
a national scale and adapted to the presidency?

Your responses to my questions at your convenient time
will be greatly appreciated.

I attach copy of my book outline for your consideration.
The goal is to provide a key to a better understanding of the
Carter's promise of presidency.

With highest esteem, I remain,

Respectfully,


C. G. Alexandrides, Ph.D.
Professor of Management

Encl.

President Jimmy Carter
The White House
Washington, D. C.
20500

15 June 1977

Dear President Carter:

As you know the Greek-Americans are very much concerned about keeping your campaign commitments on the Cyprus Question. (Enclosed mailograms to Stu Eizenstat). I know that your position on Cyprus in support of UN Resolution 3212 of 1 November 1974 has not changed, and that at the appropriate time your good offices will provide the leadership for a just settlement.

The purpose of my letter is to stress that the time for the settlement of the Cyprus tragedy is now. Apart from the continued sufferings of the people of Cyprus for three years, the following reasons are given:

1. The formation of the new government of Mr. Bulent Ecevit of the Republican People's Party. Mr. Ecevit takes a conciliatory position and does not depend on the support of the small National Salvation Party, which rendered Mr. Demirel's government impossible to negotiate a settlement. Mr. Ecevit has stated his interest in the basic solution of the Cyprus Question, not just concessions. Pressures for such action are also generated from the people of Turkey in view of the economic burden of the occupied Cyprus and the military due to the U.S. military embargo. (Enclosed pertinent editorial from The Washington Post of 9 June).

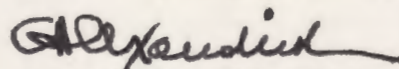
2. The solution of the Cyprus Question is the direct responsibility of the People of Cyprus. The enclosed Guidelines Agreement agreed in Nicosia between President Makarios and Mr. Denktash on 12 February 1977 provides a framework for a settlement. (Copy attached).

3. The Greek Government of Prime Minister C. Caramanlis has demonstrated its good faith in support of a just settlement in Cyprus in accordance with the UN Resolution 3212.

In view of the dynamics of the situation, including the condition of the health of the Archbishop, it is essential that Cyprus settlement is negotiated in 1977. A second trip of Mr. Clark Clifford will be important for the preparatory arrangements. It is my recommendation that you invite the leaders of the countries concerned along with UN Secretary General Kurt Waldheim at the White House for a meeting where your good offices can provide the catalyst for a just solution of the Cyprus dilemma. (Enclosed article from my last visit to Cyprus inserted in the Congressional Record of 29 April).

The multiple benefits from a settlement of Cyprus include the restoration of good relations among our country and the other three, including relations among themselves, the strengthening of NATO, the appreciation of Third World Countries and the enhancing of the UN prestige.

In appreciation of your understanding and dedication to world peace, I remain,



C. G. Alexandrides
3433 Paces Forest Road, NW
Atlanta, Georgia 30327

Encls.

Turkey's political climate *under state 6/2/77*

In the Turkish national elections, Bulent Ecevit and the moderately leftist Republican People's party should have prevailed by a decisive margin instead of the slender plurality they obtained. With a safe parliamentary majority, the next prime minister would have a better chance of solving severe domestic problems, negotiating an end of the Cyprus stalemate and straightening out Turkey's tangled relationships with its Western allies.

As it is, following the weekend voting, Mr. Ecevit will need the support of independents, defectors and/or coalition partners to form what may be another fragile government. The outgoing regime of Prime Minister Suleyman Demirel, a coalition led by the more conservative Justice party, was hampered by its own patchwork mandate. The National Salvation party, as junior members of the Demirel coalition, ruled out the flexibility needed for a Cyprus settlement.

Even without a majority to call his own, Mr. Ecevit may be in a better position than was Mr. Demirel to control nationalist passions on the Cyprus question. This is necessary if any Turkish government is to make the concessions essential to an agreement with Greece, and between the Turkish and Greek Cypriot communities, on the future of the island.

Mr. Ecevit has an advantage in this regard. He gained the status of national hero when, as head of an earlier, shortlived coalition, he

ordered the 1974 invasion of northern Cyprus to save the Turkish Cypriot minority from a threat to unite the island with Greece. Those hawkish credentials, ironically, now give him an edge as a potential peacemaker, less vulnerable than he otherwise would be to accusations of softness.

For the moment, Mr. Ecevit is stressing major internal problems, which deserve attention in the interest of Turkey's survival as a modern democracy. He has vowed to end the political violence in which more than 200 persons have been killed in the last two years. And he promises to deal with serious economic problems, including unemployment approaching 20 per cent.

But the new government will be forced to attend soon to international questions. The Carter administration will be pressing immediately for progress on Cyprus, as a prerequisite to ending the congressional arms embargo against Turkey, repairing the American-Turkish friendship and gluing together NATO's shattered Eastern Mediterranean front. Mr. Ecevit supports NATO; seeks to "restore mutual confidence with the United States" and has been known to champion Greek-Turkish reconciliation. This last tendency could help in achieving a Cyprus agreement and ending the Turkish occupation of a third of the island. It could also lead to cooperation with Greece in developing the resources of the Aegean Sea, currently a matter of dispute between the neighbors.

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C G ALEXANDRIDES
3433 PACES FOREST RD NORTHWEST
ATLANTA GA 30327

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ZIP

STU EIZENSTAT
THE WHITE HOUSE

WASHINGTON DC 20050

IN RESPONSE TO PRESIDENT CARTER'S REQUEST FOR LIST OF CAMPAIGN PROMISES
LISTED HEREWITH ARE COMMITTMENT TO GREEK-AMERICANS:

1. POLICY STATEMENT OF 16 SEPTEMBER 1976 TO GREEK AMERICAN LEADERS IN
WASHINGTON DC ON IMPLEMENTATION OF U.N. RESOLUTIONS ON CYPRUS AND ON
SOLUTION OF AEGEAN DISPUTE ACCORDING TO INTERNATIONAL LAW.

2. STATEMENT TO THE PRESS OF 10 OCTOBER 1976 ON PROPOSED MILITARY BASES
AGREEMENT WITH TURKEY"TO BE RELATED TO PROGRESS MADE FOR THE SOLUTION
OF THE CYPRUS QUESTION."

3. STATEMENT TO GREEK-AMERICANS BANQUET IN CHICAGO OF 10 OCTOBER 1976 IN
SUPPORT OF MAJORITY RULE FOR CYPRUS. CORDIALLY,

ALEXANDRIDES
3433 PACES FOREST RD NORTHWEST
ATLANTA GA 30327

14:44 EST

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C G ALEXANDRIDES
3433 PACES FOREST RD NORTHWEST
ATLANTA GA 30327

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ZIP

STU EIZENSTAT
WHITE HOUSE

WASHINGTON DC 20500

THE STATE DEPARTMENT'S ANNOUNCEMENT THAT THE ADMINISTRATION WILL
PROPOSE TO CONGRESS RESUMPTION OF MILITARY AID TO TURKEY VIOLATES
CARTER'S CAMPAIGN PROMISE "TO BE RELATED TO PROGRESS MADE FOR SOLUTION
OF CYPRUS QUESTION." NO SUCH PROGRESS HAS BEEN MADE IN SPITE OF TURKEY'S
ASSURANCES TO MR CLIFFORD CLARK STOP THE CYPRUS INTERCOMMUNAL TALKS
HELD IN VIENNA UNDER UN SUPERVISION AND ENDED IN DEADLOCK ON 7 APRIL
WITH A JOINT COMMUNIQUE CONCLUDING "IT HAS NOT BEEN POSSIBLE TO BRIDGE
THE CONSIDERABLE GAP BETWEEN THE FUSE OF BOTH SIDES" PLEASE TRANSMIT TO
PRESIDENT CARTER OUR GREAT CONCERN BEST WISHES

C G ALEXANDRIDES
3433 PACES FOREST RD NORTHWEST
ATLANTA GA 30327

23:36 EST

MGMCOMP MGM

GUIDELINES AGREED IN NICOSIA
BETWEEN PRESIDENT MAKARIOS AND MR. DENKTASH
ON FEBRUARY 12th 1977

We are seeking an independent, non aligned, bicommunal Federal Republic.

The territory under the administration of each community should be discussed in the light of economic viability or productivity and land ownership.

Questions of principles like freedom of movement, freedom of settlement, the right of property and other specific matters are open for discussion, taken into consideration the fundamental basis of a bicommunal federal system and certain practical difficulties which may arise for the Turkish Cypriot community.

The powers and functions of the Central Federal Government will be such as to safeguard the unity of the country, having regard to the bicommunal character of the State.



United States
of America

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PROCEEDINGS AND DEBATES OF THE 95th CONGRESS, FIRST SESSION

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No. 72

THE CYPRUS DILEMMA

HON. WYCHE FOWLER, JR.

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Friday, April 29, 1977

Mr. FOWLER. Mr. Speaker, I would like to call attention to a recent article in the *Hellenic Times* by Dr. C. G. Alexandrides. Dr. Alexandrides has followed Cyprus developments for the last 20 years as a member of the U.N. organization, a director of U.N. Studies at the New School for Social Research and chairman of U.N. Series at New York University.

I bring this to the attention of the Members of the House because we will soon be considering legislation dealing with security assistance for Greece and Turkey.

The article follows:

THE CYPRUS DILEMMA: BOON OR BANE FOR CARTER

(By C. G. Alexandrides)

Is the Cyprus tragedy the kiss of death to Kissinger's realpolitik as was the Greek war of liberation to Metternich's a century and a half ago? Both men wanted to preserve the status quo through entangling military alliances based on the "realities of power" rather than the legitimate aspirations of oppressed peoples.

Henry Kissinger's appeal to Jimmy Carter must have been similar to that of Metternich's to Czar Alexander I: that in spite of the moral and legal bases of the Greek War of Independence of 1821 and his support of the Greek cause, the military considerations of the Holy Alliance were paramount. History proved Metternich wrong by justifying the

legitimate rights of the Greek people for independence over the power politics of an ambitious nineteenth century diplomatist. Will history repeat itself in the case of the Greek-Cypriots?

The extent of the present-day tragedy of the Greek-Cypriots was reported by *The Times* on Dec. 13, 1976, based on confidential UN military documents which disclosed that "looting was being carried out systematically and on a massive scale by the Turkish and Turkish-Cypriot authorities in the north of the divided island." The restricted documents from the UN peacekeeping force in Cyprus said further that scores of Greek-Cypriots were being forced to abandon their houses in Turkish-occupied areas and that robbery of Greek-Cypriot property was now widespread. The documents also referred to alleged physical attacks on Greek-Cypriots and rapings of Greek-Cypriot women and girls. *The Times* added that the UN had "confirmed that the documents were genuine." Moreover, *The Cyprus Mail* reported that on Dec. 15, 1976 "the Turkish-Cypriots are in a hurry to chase away from the occupied area as many Greek-Cypriots as possible before U.S. President-elect Jimmy Carter takes office."

THE U.S. ROLE

The U.S. is involved in the Cyprus problem for several reasons. U.S. laws specify that the arms given to Turkey were to be used for defensive purposes in the event of an attack; use of these arms by Turkey in the invasion of Cyprus is a violation of the laws. There are the considerations of military bases and agreements with Greece and Turkey. The U.S. also supports the unanimous UN General Assembly resolution 3212 of Nov. 1, 1974 calling for respect of the political independence and territorial integrity of Cyprus. Finally, the U.S. has an interest in the restoration of peaceful relations between its two allies.

The Republican administration was implicitly involved in the Cyprus tragedy because of its support of the Greek military junta (i.e. granting of military aid over Congressional objections), advance knowledge of the attempted coup against President Makarios and its unwillingness to take any action to discourage the plot.

The Cyprus tragedy offers a challenge to the Carter administration. The promotion of a peaceful settlement in Cyprus will mean the restoration of peaceful relations between Greece and Turkey and a strengthening of the eastern flank of NATO. Assistance could be given to Cyprus, a member of the Third World, and the image and prestige of the UN would benefit. Moreover, such a promotion would vindicate Carter's avowed desire for a U.S. foreign policy which is based on the principles of legality and morality—reflecting the character of the American people rather than the "lone ranger" diplomacy of Henry Kissinger.

The Carter administration has an advantage in untangling the Cyprus knot in Cyprus Vance, an experienced negotiator who succeeded in preventing a threatened war between Greece and Turkey over Cyprus in 1967. Henry Kissinger's titling toward Turkey made him unacceptable to Greece and Cyprus. Another advantage may be found in the U.S. Congress, which is determined to see progress in Cyprus even if it means underwriting economic aid to Cyprus or cutting off military aid to Turkey. The European Economic Community is willing to assist the U.S. in playing a vital role in the settlement of the crisis. Finally, world public opinion is demanding that the political independence of Cyprus and the human rights of its people be restored from foreign military domination.

CYPRUS PERSPECTIVE

From its ancient days as a Greek Mycenaean island, Cyprus has learned to survive many conquerors by peaceful coexistence. Prior to the British acquisition of

Cyprus in 1878, Greeks and Turks on the island had gotten along with each other peacefully for nearly four centuries. The island's population traditionally consisted of 80 percent Greek-Cypriots and 18 percent Turkish-Cypriots. Differences in religion, language and education had not prevented many villages from living peaceably with mixed populations.

Cyprus became a British crown colony in 1914, with Turkey's renunciation of all her claims. The British reneged in their promise to return the island to Greece after World War I in exchange for the military support of Greece against the Central Power, which included Turkey. The slow decolonization process of the British in the 1950's resulted in a struggle for liberation by the Greek-Cypriots. The question of Cyprus began to appear on the agenda of the UN in the mid-1950's. In those days, however, decolonization was not a major concern of a pro-western UN, and the efforts of Greece were frustrated. The Republic of Cyprus was established in 1960 by the Zurich and London Agreements of 1959. UN Mediator Dr. Galo Plaza called the Cyprus constitution a "constitutional oddity" because the majority could not legislate without the approval of the minority. Moreover, the Turkish-Cypriot Vice President had authority to veto major executive decisions. The arrangement of divided rule was devised by the British in order to assure that they would continue to have military bases on the island, which link Britain to its oil interests in the Middle East.

Twice Turkey threatened to invade Cyprus, in 1963 and 1967, but was prevented by the Democratic administration in Washington, which impressed on Turkey the illegality of using U.S. weapons for aggressive purposes. The July 1974 Turkish invasion occurred because the Republican administration did not oppose it. Henry Kissinger, preoccupied with Watergate, accepted at face value the assurance of Turkish Prime Minister Ebulant Ecevit, his former student at Harvard, that the invasion would be limited in scope and would be conducted only for the purpose of preservation of the Constitution as provided by the Treaty of Guarantee. In a matter of days the pretext of the Turkish intervention, the coup against President Makarios, was eliminated but the Turkish military unleashed a full scale war. The Turks enlarged their original 4 percent of land to 40 percent of the total area, causing untold sorrow to the population—5,000 dead, 2,000 missing, and 200,000 refugees from a total of 600,000 persons. The right of intervention to preserve the Constitution resulted in its deliberation destruction.

The present policies of the Turkish military authorities in Cyprus violate all recent agreements. The UN-sponsored Vienna agreement of August 1976, which was designed to afford more freedom of education, religion and movement to the 20,000 Greek-Cypriots in the occupied area of Karpas has resulted in a systematic expulsion to their present numbers of less than 3,000, the continued colonization of the occupied area by military and civilian persons from mainland Turkey, and the imposition of Turkish currency, postal, and administrative arrangements.

The real intent of the Turkish government and the Turkish military authorities two and a half years after the invasion must not have escaped the notice of Kissinger, who only wanted extensions of 90 days in delaying the military assistance embargo by Congress in order to report progress in the Cyprus negotiations. A close scrutiny of these negotiations reveals their non-substantive nature. In spite of agreements under the aegis of UN Secretary-General Kurt Waldheim for the submission of proposals and counterproposals by both sides, only the Greek-Cypriots

submitted three sets of proposals, which were rejected without counterproposals—or any proposals at all—by the Turkish-Cypriots. It became obvious that the real intent of the Turkish military is to force acceptance of the *jais accomplis*. If the present de facto situation by the force of arms becomes the policy of the Turkish government, "the Greek-Cypriot struggle will be continued indefinitely," stated President Makarios. The feeling among the Greek-Cypriots is that since most has been lost, a long-term struggle is the only alternative. Hence, it is in the best interests of the U.S., the EEC and the UN that the Cyprus crisis be resolved and the efforts of the UN Secretary-General be strengthened in the promotion of a solution based on UN resolutions. Prolongation of the crisis can only cause undue hardships on both Greek and Turkish Cypriots and on the economy of the country.

The legitimate parties to the Cyprus dispute are the Greek-Cypriot majority and the Turkish-Cypriot minority. The powers of the Treaty of Guarantee are Greece, Turkey, and the United Kingdom. The "Pontius Pilate" policy on Cyprus of Prime Minister Callaghan has been increasingly criticized by the British press and on both sides of the aisles in the House of Commons. The recently released House of Commons paper on Cyprus is a condemnation of Callaghan's policies of doing nothing in spite of treaty obligations. The press has reported that Callaghan was under the "hypnotic spell" of Kissinger. New directions in British policy on Cyprus are now expected, as evidenced by the recent fact-finding visit in Cyprus of the British Under Secretary for Foreign Affairs.

The Turkish government, known for its unique diplomacy, has succeeded in rekindling old disputes with Greece in order to push the Cyprus tragedy into the background. The Aegean Sea dispute over territorial waters and economic zones has become a war game. The Greek islands of the Aegean were designated Aegean rather than Greek islands by the Turkish Prime Minister Demirel. After signing the Verne Agreement of October 1976 to refrain from statements which would not be constructive to the restoration of peaceful relations, Turkish Foreign Minister Chalayanli stated to the press on Dec. 10, 1976 after a NATO meeting with Kissinger: "Turkey could occupy all the Aegean islands in 24 hours." Reminded of his acceptance of the Verne agreement against provocative language, he conceded the following day that Turkey could indeed take the islands in 24 hours but that Turkey "does not want them."

After the Turkish occupation of Cyprus, the Greek Government felt forced to fortify some of the Greek islands as Chios and Samos which are near the coast of Turkey. It was a response to the organization by Turkey of the Army of the Aegean, fully U.S.-armed and equipped with ballistic missiles. Once again, as in Cyprus, Turkey seems intent upon using U.S. arms not for defense purposes on the Soviet frontier but against Greece, a U.S. ally.

Another "major" problem manufactured by Turkey is the treatment of the Moslem population in northern Greece. In spite of the exchange of populations in the 1920s, some 100,000 Greeks remained in Constantinople and 80,000 Moslem Turks remained in Thrace. Since the Turkish burning and looting of Greek churches and stores in Constantinople in 1956, the continued persecution of the Greeks there reduced their number to less than 8,000. In contrast, the Moslem-Turkish population in Thrace has increased to 130,000, has representation in the Greek Parliament, and enjoys a standard of living twice that of comparable groups in Turkey.

The Turkish government, despite world condemnation for its actions in Cyprus, has succeeded in impressing upon the world

community that in realpolitik terms the Cyprus problem can only be settled by Turkey and Greece. For practical purposes, the intent of the Turkish-Cypriot leader Rauf Denktaş is to represent the interests of Turkey rather than those of his Turkish-Cypriot people, whose legitimate rights have been disregarded by the colonization program of Turkish military and civilian groups from Turkey. On the contrary, the Greek-Cypriot leadership under President Makarios is not subservient to the Greek government but acts as an equal partner in the formulation of a common policy on Cyprus.

UNTYING THE CYPRUS KNOT

If a Cyprus solution is to endure, it must not only reflect the realities of international life but the rights of the people of Cyprus. These rights have been guaranteed by international treaties and the Charter of the UN. These were the rights which the Turkish invasion presumably was intended to preserve and has succeeded in destroying.

The international community cannot shrug off its responsibilities in Cyprus. The people of Cyprus have suffered for two and a half years.

Cyrus Vance can undo the damage of Henry Kissinger's "lone ranger" diplomacy by bringing to bear the moral and diplomatic power of the U.S. towards a peaceful solution of the Cyprus tragedy as he did in 1967. Belatedly, Mr. Kissinger had admitted his errors on Cyprus.

Unlike the ambiguities inherent in an oracle of Delphi, the solution to the Cyprus problem is extant. The solution is to be found in the UN resolution on Cyprus which provide the basis for settlement. Given the political independence and territorial integrity of Cyprus, asserted in the UN resolution, the type of government, which will provide autonomy for both Greek and Turkish Cypriots and enable them to pursue their own interests without having to compromise their rights. Granted the rights of citizens to civil liberties, including freedom of movement and ownership, the question of territorial ethnic composition of the area and refugee repatriation can be resolved peacefully.

The Carter Administration's failure to defuse this potentially explosive situation between two U.S. allies could present us with a tragedy whose magnitude cannot be estimated. In view of Jimmy Carter's commitment to implement U.N. resolutions on Cyprus, a Kissinger major failure could become a Carter great success.